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CHURCH OF SCIENTOLOGY  
INTERNATIONAL

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HUB LAW OFFICES

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 FOR THE COUNTY OF MARIN

13 CHURCH OF SCIENTOLOGY )  
14 INTERNATIONAL, a California not-for-profit )  
religious corporation, )

15 )  
16 )  
17 Plaintiff, )

18 vs. )

19 )  
20 GERALD ARMSTRONG; DOES 1 through 25, )  
inclusive, )

21 )  
22 Defendants. )  
23 \_\_\_\_\_ )  
24 )  
25 )  
26 )  
27 )  
28 )

CASE NO. BC 157680  
REQUEST FOR JUDICIAL NOTICE  
IN SUPPORT OF PLAINTIFF'S  
NOTICE OF MOTION AND  
MOTION FOR SUMMARY  
ADJUDICATION OF THE  
TWENTIETH CAUSE OF ACTION  
OF PLAINTIFF'S COMPLAINT  
DATE: March 31, 1995  
TIME: 9:00 a.m.  
DEPT: 1  
DISCOVERY  
CUT-OFF: March 16, 1995  
MTN CUT-OFF: April 18, 1995  
TRIAL DATE: May 18, 1995

1 Plaintiff, Church of Scientology International requests that this Court take judicial  
2 notice of the following records of the Superior Court of the County of Los Angeles of the  
3 State of California, the Court of Appeal of the State of California Second Appellate District,  
4 the U.S. District Court for the Central District, State of California, the Circuit Court of  
5 Cook County, Illinois, the U.S. District Court for the Northern District of Illinois, the U.S.  
6 District Court for the Southern District of New York, and the Supreme Court of England &  
7 Wales pursuant to Evidence Code Sections 452 and 453:

8 A. Second Amended Verified Complaint for Damages and for Preliminary and  
9 Permanent Injunctive Relief for Breach of Contract, filed on April 5, 1994 in the case of  
10 Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior  
11 Court, Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit  
12 A;

13 B. Amended Answer of Gerald Armstrong and The Gerald Armstrong  
14 Corporation to Amended Complaint, filed on October 7, 1992, in the case of Church of  
15 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
16 BC 052395, a true and correct copy of which is attached hereto as Exhibit B;

17 C. Ruling of January 27, 1995 by Judge Gary W. Thomas re Motion for  
18 Summary Adjudication of Issues as to the Fourth and Sixth Causes of Action in Church of  
19 Scientology International v. Gerald Armstrong, et al., Marin County Superior Court, Case  
20 No. 157680 (Consolidated), a true and correct copy of which is attached hereto as Exhibit C;

21 D. Opinion of the Court of Appeal of the State of California Second Appellate  
22 District Division Four on May 16, 1994, entered in the case of Church of Scientology  
23 International v. Gerald Armstrong, Case No. B069450; a true and correct copy of which is  
24 attached hereto as Exhibit D;

25 E. Minute Order of August 16, 1994, re: Motion by Cross- Defendant, Church of  
26 Scientology International, for Summary Adjudication of the Second and Third Causes of  
27 Action of the Cross-Complaint, entered by the Honorable David A. Horowitz, Superior  
28

1 Court Judge, in the case of Church of Scientology International v. Gerald Armstrong, et al.,  
2 Los Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is  
3 attached hereto as Exhibit E;

4 F. Portions of a complaint dated April 1, 1998 in the case of, Vicki J. Aznaran  
5 and Richard N. Aznaran v. Church of Scientology of California, et al., U.S. District Court,  
6 Central District, State of California, Case No. CV 88-1786-WDK(Ex), a true and correct  
7 copy of which is attached hereto as Exhibit F;

8 G. Complaint filed July 18, 1991 in Religious Technology Center, et al., v.  
9 Joseph A. Yanny, et al., Los Angeles County Superior Court, Case No. BC 033035, a true  
10 and correct copy of which is attached hereto as Exhibit G;

11 H. Portions of a complaint dated April 27, 1992 in the case of, Church of  
12 Scientology International v. Time Warner, Inc., et al., U.S. District Court, Southern District  
13 of New York, Case No. 92 Civ 3024 (PNL), a true and correct copy of which is attached  
14 hereto as Exhibit H;

15 I. Portions of a complaint filed January 21, 1994 in Cult Awareness Network v.  
16 Church of Scientology International, et al., Circuit Court of Cook County, Illinois, Case No.  
17 94 L 00804, a true and correct copy of which is attached hereto as Exhibit I;

18 J. Portions of a complaint filed July 13, 1992 in Cynthia Kisser v. The Chicago  
19 Crusader, et al., Circuit Court of Cook County, Illinois, Case No. 92 L 08593, a true and  
20 correct copy of which is attached hereto as Exhibit J;

21 K. Portions of a complaint filed July 10, 1992 in Cynthia Kisser v. The Coalition  
22 for Religious Freedom, et al., U.S. District Court, Northern District of Illinois, Case No. 92  
23 C 4508, a true and correct copy of which is attached hereto as Exhibit K;

24 L. Portions of a complaint filed July 28, 1980 in Larry Wollersheim v. Church of  
25 Scientology of California, et al., Los Angeles County Superior Court, Case No. C332327, a  
26 true and correct copy of which is attached hereto as Exhibit L;

27 M. Complaint dated February 16, 1993 in the case of Church of Scientology of  
28

1 California v. Larry Wollersheim, Los Angeles County Superior Court, Case No. BC 074815,  
2 a true and correct copy of which is attached hereto as Exhibit M;

3 N. Writ of Summons and Statement of Claim between The Church of Scientology  
4 Advanced Organization Saint Hill Europe and Africa and Robin Scott, Ron Lawley, Morag  
5 Bellmaine, Steven Bisbey, in the High Court of Justice, Queen's Bench Division, London,  
6 England, a true and correct copy of which is attached hereto as Exhibit N;

7 O. Portions of a complaint filed November 25, 1991 in Church of Scientology  
8 International v. Steven Fishman and Uwe Geertz, U.S. District Court, Central District of  
9 California, Case No. 91 6426 HLH(Tx), a true and correct copy of which is attached hereto  
10 as Exhibit O;

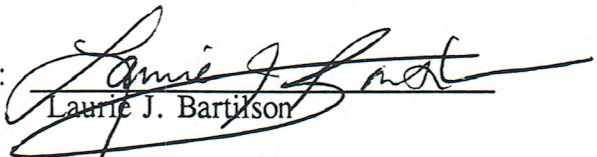
11 P. The Minute Order, Ruling on the Plaintiff's Motion for Preliminary  
12 Injunction, issued on May 28, 1992, in the case of Church of Scientology International v.  
13 Gerald Armstrong, et al., Los Angeles Superior Court, Case No. BC 052395, a true and  
14 correct copy of which is attached hereto as Exhibit P;

15  
16 Dated: February 23, 1995

Respectfully Submitted,

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

MOXON & BARTILSON

20  
21 By:   
Laurie J. Bartilson

22 Attorneys for Plaintiff  
23 Church of Scientology  
24 International



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8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL  
9

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LOS ANGELES  
SUPERIOR COURT

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY ) CASE NO. BC 052395  
INTERNATIONAL, a California )  
13 not-for-profit religious ) VERIFIED SECOND AMENDED COMPLAINT  
corporation; ) FOR DAMAGES AND FOR PRELIMINARY  
14 ) AND PERMANENT INJUNCTIVE RELIEF  
Plaintiff, ) FOR BREACH OF CONTRACT  
15 )  
16 vs. )  
17 )  
GERALD ARMSTRONG; THE GERALD )  
ARMSTRONG CORPORATION, a )  
18 California corporation; DOES )  
1-25 INCLUSIVE )  
19 )  
Defendants. )  
20 )

21 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
22 Bowles & Moxon, for its Complaint, alleges:

23 NATURE OF THE ACTION

24 1. In violation of the express terms and spirit of a  
25 settlement agreement ("the Agreement") entered into in December,  
26 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
27 deliberate campaign designed to aid plaintiff's litigation  
28 adversaries, breach the confidentiality provisions of the

1 Agreement, and foment litigation, hatred and ill-will toward  
2 plaintiff.

3       2. More than seven years ago, plaintiff Church of  
4 Scientology International ("CSI") entered into the Agreement with  
5 Armstrong, on its own behalf and for the benefit of numerous  
6 third-party beneficiaries. The Agreement provided for a mutual  
7 release and waiver of all claims arising out of a cross-complaint  
8 which defendant Armstrong had filed in the case of Church of  
9 Scientology of California v. Gerald Armstrong, Los Angeles  
10 Superior Court No. C 420153. Armstrong, a former Church member  
11 who sought, by both litigation and covert means, to disrupt the  
12 activities of his former faith, displayed through the years an  
13 intense and abiding hatred for the Church, and an eagerness to  
14 annoy and harass his former co-religionists by spreading enmity  
15 and hatred among members and former members. Plaintiff sought  
16 with the Agreement to end all of Armstrong's covert activities  
17 against it, along with the litigation itself. For that reason,  
18 the Agreement contained carefully negotiated and agreed-upon  
19 confidentiality provisions and provisions prohibiting Armstrong  
20 from fomenting litigation against plaintiff by third parties.  
21 These provisions were bargained for by plaintiff to put an end to  
22 the enmity and strife generated by Mr. Armstrong once and for  
23 all.

24       3. This action arises out of deliberate and repeated  
25 breaches by Armstrong of these and other express provisions of  
26 the Agreement. Although plaintiff fully performed all of its  
27 obligations under the Agreement, Armstrong never intended to keep  
28 his part of the bargain and maintains that he considered the

1 referenced provisions to be unenforceable ab initio. As soon as  
2 he finished spending the money he extracted from plaintiff as the  
3 price of his signature, Armstrong began a systematic campaign to  
4 foment litigation against plaintiff by providing confidential  
5 information, copies of the Agreement, declarations, and  
6 "paralegal" assistance to litigants actively engaged in  
7 litigation against his former adversaries. Although plaintiff  
8 has repeatedly demanded that Armstrong end his constant and  
9 repeated breach of the provisions of the Agreement, Armstrong  
10 appears to delight in renewing his annoying and harassing  
11 activities, admitting to them in sworn declarations, and refusing  
12 to end his improper liaisons.

13 4. With this Complaint, plaintiff seeks the Court's aid in  
14 obtaining the peace for which it bargained more than seven years  
15 ago. Plaintiff requests liquidated damages pursuant to the terms  
16 of the Agreement from Armstrong and his sham corporate alter ego,  
17 the Gerald Armstrong Corporation ("GAC"), as well as injunctive  
18 relief to prevent additional and future breaches of the Agreement  
19 by Armstrong.

#### 20 THE PARTIES

21 5. Plaintiff Church of Scientology International is a non-  
22 profit religious corporation incorporated under the laws of the  
23 State of California, having its principal offices in Los Angeles,  
24 California. Plaintiff CSI is the Mother Church of the  
25 Scientology religion.

26 6. Defendant Gerald Armstrong is a resident of Marin  
27 County, California.

28 7. Defendant Gerald Armstrong Corporation is a corporation



1 incorporated under the laws of the State of California, having  
2 its principal offices in San Anselmo, California.

3 8. Defendant Armstrong is the principal shareholder in GAC  
4 and its sole employee, and has been since the incorporation of  
5 GAC in 1987.

6 9. Defendant GAC is, and at all times since its  
7 incorporation was, the alter ego of defendant Armstrong and there  
8 exists, and at all times since GAC's incorporation has existed, a  
9 unity of interest and ownership between these two defendants such  
10 that any separateness between them has ceased to exist, in that  
11 defendant Armstrong caused his own personal assets to be  
12 transferred to GAC without adequate consideration, in order to  
13 evade payment of his lawful obligations, and defendant Armstrong  
14 has completely controlled, dominated, managed and operated GAC  
15 since its incorporation for his own personal benefit.

16 10. Defendant GAC is, and at all times herein mentioned  
17 was, a mere shell, instrumentality and conduit through which  
18 defendant Armstrong carried on his activities in the corporate  
19 name exactly as he conducted it previous to GAC's incorporation,  
20 exercising such complete control and dominance of such activities  
21 to such an extent that any individuality or separateness of  
22 defendant GAC and defendant Armstrong does not, and at all  
23 relevant times mentioned herein, did not exist.

24 11. Adherence to the fiction of the separate existence of  
25 defendant GAC as an entity distinct from defendant Armstrong  
26 would permit an abuse of the corporate privilege and would  
27 sanction fraud, in that Armstrong transferred his material assets  
28 to GAC in 1988, prior to embarking on the campaign of harassment

1 described herein, and with the intention of preventing plaintiff  
2 from obtaining monetary relief from Armstrong pursuant to the  
3 liquidated damages clause. GAC exists solely so that Armstrong  
4 may be "judgment proof."

5 THE CONTRACT

6 12. On or about December 6, 1986, CSI and Armstrong entered  
7 into a written confidential settlement Agreement, a true and  
8 correct copy of which is attached hereto as Exhibit A, and  
9 incorporated herein by reference.

10 13. The Agreement was entered into by plaintiff and  
11 defendant Armstrong, with the participation of their respective  
12 counsel after full negotiation. Each provision of the Agreement  
13 was carefully framed by the parties and their counsel to  
14 accurately reflect the agreement of the parties.

15 14. Plaintiff specifically negotiated for and obtained from  
16 Armstrong the provisions in the Agreement delineated in  
17 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18,  
18 because it was well aware, through investigation, that Armstrong  
19 had undertaken a series of covert activities, apart from the  
20 litigation, which were intended by Armstrong to discredit Church  
21 leaders, spark government raids into the Churches, create phony  
22 "evidence" of wrongdoing against the Churches, and, ultimately,  
23 destroy the Churches and their leadership.

24 15. Contemporaneously with the signing of the Agreement,  
25 Armstrong represented that he understood the Agreement's  
26 provisions and was acting of his own free will and not under  
27 duress.

28 16. The Agreement also provided that plaintiff CSI would

1 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
2 intended to settle not just Armstrong's case, but the cases of  
3 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
4 to Armstrong a portion of that settlement amount. The exact  
5 amount of the portion to be paid to Armstrong by Mr. Flynn was  
6 maintained as confidential between Mr. Flynn and Armstrong.

7 17. CSI paid to Mr. Flynn the lump sum settlement amount.

8 18. Mr. Flynn paid to Armstrong his confidential portion of  
9 the lump sum settlement amount, which was at least \$520,000,  
10 after expenses.

11 19. The consideration paid to Armstrong was fair,  
12 reasonable and adequate. Plaintiff CSI has performed all of its  
13 obligations pursuant to the Agreement.

14 . FIRST CAUSE OF ACTION

15 (Against Armstrong for Breach of Contract)

16 20. Plaintiff realleges paragraphs 1-19, inclusive, and  
17 incorporates them herein by reference.

18 21. Vicki and Richard Aznaran ("the Aznarans") are former  
19 Scientology parishioners currently engaged in litigation against,  
20 inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al.  
21 v. Church of Scientology of California, et al., United States  
22 District Court for the Central District of California, Case No.  
23 CV 88-1786 JMI (Ex).

24 22. In June, 1991, the Aznarans discharged their attorney,  
25 Ford Greene, and retained attorney Joseph A. Yanny to represent  
26 them.

27 23. While acting as the Aznarans' counsel, Yanny hired  
28 Gerald Armstrong as a paralegal to help Yanny on the Aznaran

1 case.

2 24. In July, 1991, Armstrong agreed to travel from Marin  
3 County to Los Angeles and asked Yanny to pay him \$500 for his  
4 proposed help.

5 25. In July, 1991, Armstrong did travel to Los Angeles as  
6 he had agreed, stayed with Yanny on July 15 and July 16, 1991,  
7 and provided Yanny with paralegal assistance and a declaration  
8 for the Aznaran case.

9 26. Yanny is former counsel to CSI, and his substitution  
10 into the case was vacated by the Court sua sponte on July 24,  
11 1991, the Court noting that Yanny's retention as the Aznarans'  
12 counsel was "highly prejudicial" to CSI.

13 27. Armstrong's acceptance of employment by Yanny to work  
14 on the Aznarans' litigation is a direct violation of Paragraphs  
15 7(G) and 10 of the Agreement.

16 28. As a direct and proximate result of Armstrong's breach  
17 of the agreement by providing paralegal assistance to Yanny in  
18 the Aznarans' litigation, plaintiff has incurred damages which  
19 are not presently calculable. In no event, however, are they  
20 less than the jurisdictional minimum of this Court.  
21 Consequently, for this breach plaintiff seeks compensatory and  
22 consequential damages according to proof.

23 **SECOND CAUSE OF ACTION**

24 (Against Armstrong for Breach of Contract)

25 29. Plaintiff realleges paragraphs 1-19, 21-28, inclusive,  
26 and incorporates them herein by reference.

27 30. After Yanny entered his appearance in the Aznarans'  
28 case and indicated to CSI's counsel that he represented Gerald

1 Armstrong as well, CSI brought suit against Yanny in the case of  
2 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,  
3 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In  
4 that action, plaintiff sought and obtained a Temporary  
5 Restraining Order and a Preliminary Injunction against Yanny,  
6 which prohibit Yanny from aiding, advising, or representing,  
7 directly or indirectly, the Aznarans or Armstrong, on any matters  
8 relating to the plaintiff.

9 31. At the hearings before the Court on the temporary  
10 restraining order and the injunction, Yanny filed two  
11 declarations prepared and executed by Armstrong on July 16, 1991.  
12 The declarations were offered by Yanny as part of Yanny's  
13 defense, which was ultimately rejected by the Court when it  
14 issued its injunction.

15 32. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
16 direct violation of Paragraphs 7(G) and 10 of the Agreement.

17 33. Armstrong attached as an exhibit to one of his July 16,  
18 1991 declarations a copy of the Agreement, the terms of which he  
19 had agreed, pursuant to paragraph 18(D), to keep confidential.  
20 This disclosure of the terms of the Agreement is a violation of  
21 its non-disclosure provisions, requiring that Armstrong pay to  
22 CSI \$50,000 in liquidated damages.

23 34. Despite demand by plaintiff, Armstrong has failed and  
24 refused to pay them the \$50,000 owed in liquidated damages for  
25 this breach of the Agreement.

26 **THIRD CAUSE OF ACTION**

27 (Against All Defendants for Breach of Contract)

28 35. Plaintiff realleges paragraphs 1-19, 21-28 and 30-34,

1 inclusive, and incorporates them herein by reference.

2 36. After Yanny's substitution into the Aznarans' case was  
3 summarily vacated, Ford Greene was reinstated as Aznarans'  
4 counsel of record. Ford Greene's law offices are located in San  
5 Anselmo, California.

6 37. On or about August, 1991, Armstrong began working in  
7 Ford Greene's office as a paralegal on the Aznarans' case. When,  
8 thereafter, the Aznarans hired attorney John Elstead to represent  
9 them as well, Armstrong provided paralegal services to Elstead as  
10 well as Greene. Armstrong's employment in Greene's office has  
11 continued to the present. Armstrong's activities constitute a  
12 daily and continuing breach of his contract, rendering  
13 plaintiff's bargain a nullity.

14 38. Plaintiff CSI has already incurred, and continues to  
15 incur, damages as a direct and proximate result of Armstrong's  
16 provision of aid to Greene in the Aznarans' case. Those damages  
17 are not presently calculable and will cease only when Armstrong  
18 is ordered to stop his improper conduct. In no event, however,  
19 are they less than the jurisdictional minimum of this Court.  
20 Consequently, for this breach plaintiff seeks compensatory and  
21 consequential damages according to proof.

22 **FOURTH CAUSE OF ACTION**

23 (Against All Defendants for Breach of Contract)

24 39. Plaintiff realleges paragraphs 1-19, 21-28, 30-34 and  
25 36-38, inclusive, and incorporates them herein by reference.

26 40. In addition to the paralegal services which Armstrong  
27 has provided to Ford Greene and John Elstead on the Aznarans'  
28 litigation, Armstrong also provided the Aznarans with a

1 declaration, dated August 26, 1991, and filed in the Aznarans'  
2 case. In that declaration, Armstrong describes some of his  
3 alleged experiences with and concerning plaintiff, and purports  
4 to authenticate copies of certain documents. These actions and  
5 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
6 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
7 liquidated damages.

8 41. Despite demand by plaintiff, Armstrong has failed and  
9 refused to comply with the liquidated damages provision by paying  
10 \$50,000 to plaintiff as demanded for this breach of the  
11 Agreement.

12 FIFTH CAUSE OF ACTION

13 (For Breach of Contract Against Armstrong)

14 42. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
15 38 and 40-41, inclusive, and incorporates them hereby reference.

16 43. On or about March 19, 1992, Armstrong, acting through  
17 Ford Greene as his agent, transmitted a press release to various  
18 members of the media, including the Cable News Network, San  
19 Francisco Chronicle, San Francisco Examiner, and the Marin County  
20 Independent Journal. A true and correct copy of the press  
21 release is attached hereto as Exhibit B. Said press release  
22 violated the Agreement in that it constituted disclosures by  
23 Armstrong, through Ford Greene as his agent, of his experiences  
24 with Scientology as prohibited by paragraph 2. The following are  
25 the excerpts from the press release which violate paragraph 2:

26 a) "Can the Scientology organization purchase the  
27 free speech rights of Gerald Armstrong-the former  
28 in-house biographer researcher/archivist of cult  
leader, L. Ron Hubbard..."

- 1 b) "A former high-ranking Scientologist for 12 years,  
2 Armstrong split with the group when it insisted he  
3 continue lying about the accomplishments Hubbard  
4 claimed to the public at large."  
5 c) "For years Scientology has treated Armstrong as a  
6 'suppressive person' who was 'fair game.'"  
7 d) "Armstrong is resisting Scientology's high-powered  
8 attack in an effort to affirm his right to free  
9 speech to maintain vigilance for the truth."  
10 e) "(Scientology is) fabricating false scenarios in  
11 other court proceedings that Armstrong was an  
12 agent of the IRS out to destroy it."

13 44. In addition, the press release devotes an entire  
14 paragraph to a description of the lawsuit resulting from the  
15 Settlement Agreement and to a description of the Settlement  
16 Agreement itself:

17 "After Armstrong beat Scientology's lawsuit  
18 against him in 1984, he was poised to  
19 prosecute his own claims. For millions of  
20 dollars, however, in 1986 Scientology settled  
21 with he and over 17 other Scientology  
22 knowledgeable individuals on the condition  
23 that those persons would forever keep silent,  
24 avoid giving sworn testimony by evading  
25 subpoenas, and never aid or assist anyone  
26 adverse to Scientology."

27 The distribution of the press release violated the provisions of  
28 paragraphs 7(D) and 18 of the Agreement.

45. By reason of the foregoing breach by Armstrong,  
plaintiff is entitled to \$50,000 in liquidated damages and  
compensatory damages not presently known but believed to be in  
excess of the jurisdictional minimum of this Court.

#### SIXTH CAUSE OF ACTION

(For Breach of Contract by Armstrong)

46. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
38, 40-4I and 43-45, inclusive, and incorporates them hereby by reference.



1           47. On or about March 19 and 20, 1992, Armstrong and  
2 Greene, acting as Armstrong's agent, granted the media additional  
3 interviews, which also violated paragraph 2 of the Agreement.  
4 During the course of his interview with the Cable News Network,  
5 for example, Armstrong stated, "I'm an expert in the  
6 misrepresentations Hubbard has made about himself from the  
7 beginning of Dianetics until the day he died." Attached hereto  
8 and incorporated herein by reference as Exhibit C is a true and  
9 correct transcription of the CNN broadcast which featured this  
10 statement made voluntarily by Armstrong in a media interview.

11           48. By reason of the foregoing breach of the Agreement,  
12 plaintiff is entitled to \$50,000 in liquidated damages.

13                           **SEVENTH CAUSE OF ACTION**

14                           (Against Armstrong for Breach of Contract)

15           49. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
16 38, 40-41, 43-45 and 47-48, inclusive and incorporates them  
17 herein by reference.

18           50. On or about February, 1992, Armstrong agreed to appear  
19 voluntarily as an "expert witness" in litigation known as  
20 Hunziker v. Applied Materials, No. 692629 S.C.S.C (the "Hunziker  
21 case"). The alleged subject of his "expertise" was Scientology.  
22 The defendants named in the Hunziker case include, inter alia,  
23 World Institute of Scientology Enterprises, Inc., which is a  
24 Scientology affiliated entity protected by the Agreement.

25           51. On or about February 21, 1992 and February 23, 1992,  
26 Armstrong met voluntarily with James Rummond and John Elstead,  
27 attorneys for the plaintiffs in the Hunziker case. During his  
28 meetings with these attorneys, Armstrong discussed his alleged

1 history and experiences with plaintiff and with other Scientology  
2 entities and individuals protected by the Agreement, and offered  
3 to appear for the plaintiffs as an "expert" on the subject of  
4 Scientology practices and beliefs.

5       52. On March 3, 1992, Armstrong voluntarily, and without  
6 the issuance of a subpoena by anyone, appeared for deposition in  
7 the Hunziker case and accepted a fee for his testimony from the  
8 defendants in that case of \$1,000. During the course of the  
9 deposition, which lasted for approximately four hours, Armstrong  
10 testified at length concerning his alleged experiences with and  
11 concerning plaintiff and other Scientology affiliated entities  
12 and individuals protected by the Agreement, and concerning  
13 knowledge and information which he claimed to have concerning  
14 plaintiff and other Scientology affiliated entities and  
15 individuals.

16       53. During his deposition on March 3, 1992, Armstrong  
17 produced documents which he claimed to have reviewed in  
18 preparation for his testimony, in violation of paragraph 7(D) of  
19 the Agreement.

20       54. On or about March 12, 1992, Armstrong again appeared  
21 for deposition in the Hunziker case. This time, Armstrong  
22 claimed that he had been given a deposition subpoena not by the  
23 deposing attorney, but by attorney Elstead, and that Elstead had  
24 "filled out" the subpoena earlier that morning. Armstrong  
25 refused to produce a copy of the alleged subpoena, which had not  
26 been served on any of the parties to the case. In fact,  
27 Armstrong himself requested that Elstead issue him a subpoena on  
28 Sunday, March 8, 1992, after a temporary restraining order was

1 issued in this case. On March 8, 1992, Armstrong delivered  
2 additional documents to Elstead, again in violation of paragraph  
3 7(D) of the Agreement.

4 55. Plaintiff learned in April, 1992, through review of the  
5 aforesaid deposition transcript, that since the signing of the  
6 Agreement, Armstrong had "taken it upon [him]self" to reacquire  
7 documents which he had previously returned to plaintiff "from  
8 whatever source." He produced many of those documents  
9 voluntarily, first to Elstead on March 8, 1992, and then to  
10 opposing counsel during the March 12, 1992 deposition.

11 56. These actions and disclosures are violations of  
12 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring  
13 that Armstrong pay to CSI \$250,000 in liquidated damages.

14 **EIGHTH CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 57. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
17 38, 40-41, 43-45, 47-48, 50-56, inclusive, and incorporates them  
18 herein by reference.

19 58. On or about April 7, 1992, while testifying in the  
20 matter known as Church of Scientology v. Yanny, (No. BC 033035),  
21 Armstrong made the Settlement Agreement sued upon herein an  
22 exhibit to the deposition transcript. Said action was a breach  
23 of paragraph 18(D) of the Agreement which prohibits disclosure of  
24 the contents of the Agreement.

25 59. By reason of the foregoing breach of the Agreement,  
26 Plaintiff is entitled to \$50,000 in liquidated damages, together  
27 with compensatory damages in an amount not presently known to  
28 plaintiff but believed to be in excess of the jurisdictional

1 minimum of this court.

2 NINTH CAUSE OF ACTION

3 (Against Armstrong for Beach of Contract)

4 60. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
5 38, 40-41, 43-45, 47-48, 50-56 and 58-59, inclusive, and  
6 incorporates them herein by reference.

7 61. In breach of the provision of paragraph 7(E) of the  
8 Agreement, Armstrong failed to return a letter written by L. Ron  
9 Hubbard to the Federal Bureau of Investigation in 1955 and an  
10 internal communication known as "Technical Bulletin."

11 62. In breach of the provisions of paragraph 7(H) of the  
12 Agreement, Armstrong gave a declaration in the Aznaran litigation  
13 on August 26, 1991 in opposition to a motion to exclude expert  
14 testimony.

15 63. Said declaration attached as exhibits the two documents  
16 referred to in paragraph 61 above, in breach of the provisions of  
17 Paragraph 7(D) of the Agreement.

18 64. By reason of the breaches by Armstrong in paragraphs  
19 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an  
20 amount not presently known but believed to be in excess of the  
21 jurisdictional minimum of this Court.

22 65. By reason of the breach by Armstrong of paragraph 7(D)  
23 of the Agreement, plaintiff is entitled to liquidated damages in  
24 the amount of \$50,000.

25 TENTH CAUSE OF ACTION

26 (Against Armstrong for Breach of Contract)

27 66. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
28 38, 40-41, 43-45, 47-48, 50-56, 58-59 and 61-65, inclusive, and

1 incorporates them herein by reference.

2 67. Plaintiff learned in March, 1992, that during 1990 and  
3 1991, Armstrong voluntarily provided aid and advice to Bent  
4 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of  
5 litigation against plaintiff and affiliated entities in the case  
6 of Bent Corydon v. Church of Scientology International, et al.,  
7 Los Angeles Superior Court Case No. C 694401.

8 68. Armstrong's voluntary provision of aid to Plevin to  
9 work on Corydon's litigation is a direct violation of paragraphs  
10 7(G) and 10 of the Agreement.

11 69. As a direct and proximate result of Armstrong's breach  
12 of the Agreement by providing voluntary assistance to Plevin in  
13 Corydon's litigation, plaintiff has incurred damages which are  
14 not presently calculable. In no event, however, are they less  
15 than the jurisdictional minimum of this Court. Consequently, for  
16 this breach plaintiff seeks compensatory and consequential  
17 damages according to proof.

18 **ELEVENTH CAUSE OF ACTION**

19 (Against Armstrong for Breach of Contract)

20 70. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
21 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, inclusive,  
22 and incorporates them herein by reference.

23 71. On May 27, 1992, after plaintiff's motion for  
24 preliminary injunction in this matter had been argued, and while  
25 a determination of that motion was still pending, Armstrong  
26 voluntarily provided a declaration to Gary M. Bright and Jerold  
27 Fagelbaum, attorneys for defendants David Mayo, Church of the New  
28 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede

1 Reisdorf in the consolidated cases of Religious Technology  
2 Center, et al. v. Robin Scott, et al., and Religious Technology  
3 Center, et al. v. Wollersheim, et al., United States District  
4 Court for the Central District of California, Case Nos. CV 85-711  
5 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The  
6 plaintiffs in the Scott case are plaintiff, Church of Scientology  
7 International, Church of Scientology of California, and Religious  
8 Technology Center, all entities specifically protected by the  
9 Agreement.

10 72. In his May 27, 1992 declaration, Armstrong purports to  
11 authenticate an earlier declaration which describes some of his  
12 alleged experiences with and concerning plaintiff, as well as a  
13 portion of a transcript which was ordered sealed in the earlier  
14 action between plaintiff and defendant. These actions and  
15 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
16 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
17 liquidated damages.

18 73. As a direct and proximate result of Armstrong's breach  
19 of the Agreement by providing voluntary assistance to Bright and  
20 Fagelbaum in the Scott case, plaintiff has incurred additional  
21 damages which are not presently calculable. In no event,  
22 however, are they less than the jurisdictional minimum of this  
23 Court. Consequently, for this breach plaintiff also seeks  
24 compensatory and consequential damages according to proof.

25 **TWELFTH CAUSE OF ACTION**

26 (Against All Defendants for Breach of Contract)

27 74. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
28 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73,

1 inclusive, and incorporates them herein by reference.

2 75. Since August, 1991, Armstrong has worked as a paralegal  
3 for attorney Ford Greene. Mr. Greene's practice consists  
4 substantially of pressing claims by former Scientologists against  
5 the plaintiff and other individuals and entities identified in  
6 paragraph 1 as beneficiaries of the Agreement (collectively, "the  
7 Beneficiaries").

8 76. Among Mr. Greene's clients who are pressing claims  
9 against one or more of the Beneficiaries are Ed Roberts and  
10 Denise Cantin.

11 77. While working in Mr. Greene's office, Armstrong  
12 provided substantial paralegal assistance to Mr. Greene in the Ed  
13 Roberts and Denise Cantin matters. In the case of Roberts, for  
14 example, Armstrong went to Colorado and interviewed Roberts in  
15 November, 1991, and has interviewed him at least seven times  
16 since then. In December, 1992, Armstrong even made a settlement  
17 demand to plaintiff's counsel on behalf of Roberts, without  
18 bothering to go through Roberts' attorney, Mr. Greene.

19 78. Armstrong's employment by Greene to work on the Roberts  
20 and Cantin matters is a direct violation of paragraphs 7(G) and  
21 10 of the Agreement.

22 79. As a direct and proximate result of Armstrong's breach  
23 of the agreement by providing paralegal assistance to Greene on  
24 the Roberts and Cantin matters, plaintiff has incurred damages  
25 which are not presently calculable. In no event, however, are  
26 they less than the jurisdictional minimum of this Court.  
27 Consequently, for this breach plaintiff seeks compensatory and  
28 consequential damages according to proof.

1 THIRTEENTH CAUSE OF ACTION

2 (For Breach of Contract Against All Defendants)

3 80. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
4 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 7-69, 71-73 and 75-  
5 79, inclusive, and incorporates them herein by reference.

6 81. In or about November, 1992, in Los Angeles, California,  
7 Armstrong attended a convention of the Cult Awareness Network, an  
8 anti-religious group whose members advocate the kidnapping and  
9 "deprogramming" of persons belonging to groups which they label  
10 "cults." While at the convention, Armstrong provided a lengthy  
11 videotaped interview to deprogramming specialist Jerry Whitfield.  
12 A true and correct copy of the transcript of the videotape is  
13 attached hereto as Exhibit D. Said videotaped interview violates  
14 the Agreement in that it purportedly contains disclosures by  
15 Armstrong of his claimed experiences with Scientology as  
16 prohibited by paragraph 7(D) of the Agreement.

17 82. In addition, the videotaped interview devotes an entire  
18 section to a description of the earlier action resulting from the  
19 Settlement Agreement and to a description of the Settlement  
20 Agreement itself. The making of the videotape violated the  
21 provisions of paragraphs 7(D) and 18 of the Agreement.

22 83. In addition, plaintiff is informed and therefore  
23 believes that Armstrong has distributed the videotape to persons  
24 other than Whitfield, the number of which plaintiff has still to  
25 ascertain. The provision of the videotape by Armstrong to any  
26 person additionally violates paragraphs 7(D) and 18 of the  
27 Agreement.

28 84. In addition, while at the CAN convention, Armstrong



1 spoke with approximately fifty (50) people, and willingly  
2 disclosed to them his claimed experiences with Scientology, in  
3 violation of paragraphs 7(D) and 18 of the Agreement.

4 85. By reason of the foregoing breaches by Armstrong,  
5 plaintiff is entitled to at least \$150,000 in liquidated damages,  
6 and further liquidated damages subject to proof.

7 **FOURTEENTH CAUSE OF ACTION**

8 (For Breach of Contract Against All Defendants)

9 86. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
10 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79  
11 and 81-85, inclusive, and incorporates them herein by reference.

12 87. On or about December 22, 1992, Armstrong sent a letter  
13 to, inter alia, Malcolm Nothling, Ed Roberts, Lawrence  
14 Wollersheim, Richard Aznaran, Vicki Aznaran, Richard Behar, Ford  
15 Greene, Paul Morantz, Joseph A. Yanny, Toby L. Plevin, Graham E.  
16 Berry, Stuart Cutler, Anthony Laing, John C. Elstead, Fr. Kent  
17 Burtner, Margaret Singer, Cult Awareness Network and Daniel A.  
18 Leipold. Each of these individuals or organizations is (a)  
19 engaged in litigation against plaintiff and/or other  
20 Beneficiaries; (b) an avowed adversary of plaintiff and/or other  
21 Beneficiaries; and/or (c) an attorney who represents or has  
22 represented litigants and/or adversaries of plaintiff and/or  
23 other Beneficiaries. A true and correct copy of the letter sent  
24 by Armstrong is attached hereto as Exhibit E. Said letter  
25 violates the Agreement in that it contains purported disclosures  
26 by Armstrong of his claimed experiences with Scientology as  
27 prohibited by paragraph 7(D).

28 88. In addition, the letter devotes an entire section to a

1 description of the earlier action resulting from the breaches of  
2 the Settlement Agreement and to a description of the Settlement  
3 Agreement itself. The sending of the letter to plaintiff's  
4 adversaries violated the provision of paragraph 7(D) of the  
5 Agreement.

6 89. By reason of the foregoing breach of the Agreement,  
7 plaintiff is entitled to \$950,000 in liquidated damages.

8 **FIFTEENTH CAUSE OF ACTION**

9 (Against All Defendants for Breach of Contract)

10 90. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
11 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-85  
12 and 87-89, inclusive and incorporates them herein by reference.

13 91. According to Armstrong, sometime between December 22,  
14 1992 and March 10, 1993, he spoke at an event at which  
15 approximately 30 to 40 people were present. At this event,  
16 Armstrong spoke of, inter alia, his claimed experiences with  
17 Scientology, in violation of at least paragraphs 7(D) and 18 of  
18 the Agreement, and received monetary compensation for his speech.

19 92. By reason of the foregoing breach of the Agreement,  
20 plaintiff is entitled to \$50,000 in liquidated damages.

21 **SIXTEENTH CAUSE OF ACTION**

22 (Against All Defendants for Breach of Contract)

23 93. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
24 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-  
25 85, 87-89, 91-92, inclusive, and incorporates them herein by  
26 reference.

27 94. In or about June, 1993, Armstrong gave an interview to  
28 one or more reporters from Newsweek magazine, which also violated

1 paragraph 7(D) of the Agreement. Plaintiff is informed, and  
2 therefore believes, that during the course of his interview with  
3 the Newsweek reporter(s), whose identity is known to defendants  
4 but not to plaintiff, Armstrong stated that the Founder of the  
5 Scientology faith, L. Ron Hubbard, wanted "rich Scientologists to  
6 buy huge quantities of [The Way to Happiness] for distribution.  
7 He wanted to go down in history as a scientist or a philosopher  
8 or both." Attached hereto and incorporated herein by reference  
9 as Exhibit F is a true and correct copy of the Newsweek article  
10 which featured this statement made voluntarily by Armstrong in a  
11 media interview. The provision of this interview by Armstrong  
12 violated the provisions of paragraphs 2, 7(D) and 18 of the  
13 Agreement.

14 95. By reason of the foregoing breach of the Agreement,  
15 plaintiff is entitled to \$50,000 in liquidated damages.

16 **SEVENTEENTH CAUSE OF ACTION**

17 (Against All Defendants for Breach of Contract)

18 96. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
19 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-  
20 79, 81-85, 87-89, 91-92 and 94-95, inclusive, and incorporates  
21 them herein by reference.

22 97. In or about August, 1993, Armstrong gave an interview  
23 to one or more reporters from Entertainment Television, with the  
24 intention that the reporters broadly republish the interview on  
25 national television, which also violated paragraph 7(D) of the  
26 Agreement. During the course of his interview with the  
27 Entertainment Television reporter(s), whose identity is known to  
28 defendants but not to plaintiff, Armstrong made statements

1 concerning his claimed experiences with Scientology. Further,  
2 Armstrong provided to Entertainment Television a copy of a  
3 manuscript entitled: "ONE HELL OF A STORY An Original Treatment  
4 Written for Motion Picture Purposes Created and Written by Gerald  
5 Armstrong" (hereinafter, "the treatment"). Plaintiff is informed  
6 and believes that the treatment so provided includes detailed  
7 descriptions of Armstrong's alleged experiences in and concerning  
8 Scientology, including a description of Church scriptures which  
9 are considered sacred and confidential by the Church. Portions  
10 of the Armstrong interview and the treatment were shown on  
11 Entertainment Television's "Entertainment Tonight" show on August  
12 5, 1993. The provision of this interview and the treatment by  
13 Armstrong to Entertainment Television violated the provisions of  
14 at least paragraphs 7(D) and 18 of the Agreement.

15 98. By reason of the foregoing breach of the Agreement,  
16 plaintiff is entitled to \$50,000 in liquidated damages.

17 **EIGHTEENTH CAUSE OF ACTION**

18 (Against All Defendants for Injunctive Relief)

19 99. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
20 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-  
21 79, 81-85, 87-89, 91-92, 94-95, 97-98, inclusive, and  
22 incorporates them herein by reference.

23 100. In or about June 1993, defendant Armstrong caused the  
24 formation of and became a director and officer of a Colorado  
25 corporation which he called Fight Against Coercive Tactics, Inc.  
26 ("FACTI"). One of the avowed purposes of this corporation is to  
27 foment civil litigation against plaintiff and the other entities  
28 and individuals protected by the Agreement. Armstrong formed

1 FACTI to implement his plan to foment such litigation.

2 101. Armstrong has established FACTI to create an electronic  
3 "library" that would feature, inter alia, hundreds of documents,  
4 declarations, exhibits and arguments prepared by Armstrong which  
5 discuss and pertain to the Beneficiaries, and to attempt to  
6 "shelter" these contractual breaches under a corporate name and  
7 the rubric of First Amendment privilege.

8 102. Armstrong has provided an entire assortment of  
9 documents to FACTI for its electronic library, including a copy  
10 of the settlement agreement herein, scores of declarations, and  
11 documents which Armstrong retained in violation of paragraph 7(E)  
12 of the Agreement. Providing these documents to FACTI with the  
13 intention that FACTI distribute them to others, including but not  
14 limited to other litigants, is a breach of paragraphs 7(H) and  
15 7(D) of the Agreement.

16 103. In or about January, 1994, Armstrong, using FACTI, sent  
17 a mass mailing to an as yet unascertained number of people,  
18 including members of the Scientology faith. In the mailing,  
19 Armstrong exhorts recipients to bring civil actions against the  
20 Church, stating that he is collecting negative information about  
21 the plaintiff "to assist ongoing litigation." Further, Armstrong  
22 requests the addresses of and ways to contact the family members  
23 of senior Church executives, an action which is clearly intended  
24 for the purpose of harassment.

25 104. To further the fomenting of litigation, the mailing  
26 contains a list, based on rumor, falsehood and innuendo, of  
27 persons supposedly harmed or injured by their belief in the  
28 Scientology religion. Plaintiff is informed and believes that

1 Armstrong, using FACTI as his cover, provided that list to Graham  
2 Berry, an attorney representing defendant Uwe Geertz in the case  
3 of Church of Scientology International v. Steven Fishman, et al.,  
4 United States District Court for the Central District of Los  
5 Angeles, Case No. 91-6426 HLH (Tx), which Berry then used against  
6 the Church in that action.

7 105. Armstrong's provision of assistance to Geertz and  
8 scores of other as yet unidentified would-be litigants is a  
9 direct violation of paragraphs 7(G) and 10 of the Agreement.

10 106. As a direct and proximate result of Armstrong's breach  
11 of the agreement via FACTI, plaintiff has incurred damages which  
12 are not presently calculable. In no event, however, are they  
13 less than the jurisdictional minimum of this Court. Consequently,  
14 for this breach plaintiff seeks compensatory and consequential  
15 damages according to proof.

16 **NINETEENTH CAUSE OF ACTION**

17 (Against Armstrong for Breach of Contract)

18 107. Plaintiff realleges paragraphs 1-19, 21-28, 30 -34, 36-  
19 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-  
20 85, 87-89, 91-92, 94-95, 97-98, and 100-106, inclusive, and  
21 incorporates them herein by reference.

22 108. On or about February 22, 1994, Armstrong voluntarily  
23 provided a declaration to Graham E. Berry, Gordon C. Calhoun, and  
24 the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys  
25 for defendant Uwe Geertz in the case of Church of Scientology  
26 International v. Steven Fishman and Uwe Geertz, United States  
27 District Court for the Central District of California, Case No.  
28 CV 91-6426 HLH (Tx). The declaration consists of a 14-page

1 discussion of his claimed experiences with and concerning  
2 plaintiff.

3 109. In his February 22, 1994 declaration, Armstrong also  
4 purports to authenticate a document which he titles "Find a  
5 Better Basket," and which he claims is both a literary work and a  
6 declaration. Armstrong further claims that "Find a Better  
7 Basket" describes some of his alleged experiences with and  
8 concerning plaintiff.

9 110. These actions and disclosures are violations of  
10 paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that  
11 Armstrong pay to CSI \$50,000 in liquidated damages.

12 111. As a direct and proximate result of Armstrong's breach  
13 of the Agreement by providing voluntary assistance to Berry and  
14 Calhoun in the Fishman case, plaintiff has incurred additional  
15 damages which are not presently calculable. In no event,  
16 however, are they less than the jurisdictional minimum of this  
17 Court. Consequently, for this breach plaintiff also seeks  
18 compensatory and consequential damages according to proof.

19 **TWENTIETH CAUSE OF ACTION**

20 (Against All Defendants for Injunctive Relief)

21 112. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
22 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-  
23 85, 87-89, 91-92, 94-95, 97-98, 100-106 and 108-111, inclusive,  
24 and incorporates them herein by reference.

25 113. On or about April 28, 1993, plaintiff learned that  
26 Armstrong intended to appear that day on radio station KFAX and  
27 disclose his claimed experiences with Scientology. Plaintiff's  
28 counsel, Laurie Bartilson, faxed a letter to Armstrong and his

1 attorney, informing him that plaintiff would consider any such  
2 appearance to be a violation of the Agreement, and would subject  
3 Armstrong to the liquidated damages provision contained therein.  
4 In response, Armstrong sent a letter to Ms. Bartilson which  
5 stated, inter alia,

6 Your threat that you will subject me to the liquidated  
7 damages provision of the settlement agreement for  
8 appearing on KFAX is obscene. Even its inclusion in  
the settlement agreement; that is \$50,000.00 per word I  
write or speak about your organization is obscene....

9 In addition, Armstrong asserted that settlement agreements were  
10 an "antisocial policy" of plaintiff. He stated that he would not  
11 stop making media appearances and speeches, and that he had more  
12 planned for the near future if plaintiff did not immediately  
13 accede to his demands:

14 I expect to be doing various media appearances in the  
15 near future and talks to various groups, including one  
16 I have already agreed to with a university psychology  
17 class. I think it would be very beneficial, therefore,  
to resolve our differences as soon as possible by your  
organization's clear repudiation of its antisocial  
policies and practices, so that I can have good things  
to report at these talks.

18  
19 114. In or about June, 1993, Armstrong made good his  
20 threats, and gave an interview to a reporter(s) from Newsweek  
21 magazine, as described in paragraph 94, supra.

22 115. On July 2, 1993, again making good his threats,  
23 Armstrong appeared in Los Angeles, California at the Los Angeles  
24 Superior Court. He attended a hearing in the Wollersheim II  
25 case, and afterwards gave an interview to a reporter who claimed  
26 to be "working on a story," but refused to identify himself.

27 116. In or about August, 1993, Armstrong gave an interview  
28 to reporters from Entertainment Television, as described in



1 paragraph 97, supra.

2 117. In or about August, 1993, Armstrong delivered to  
3 Entertainment Television a motion picture "treatment" concerning  
4 his experiences in and concerning Scientology, and told reporters  
5 for Entertainment Television that he was trying to "sell" the  
6 treatment, and have his claimed experiences portrayed in a motion  
7 picture.

8 118. In his February 22, 1994 declaration, which Armstrong  
9 provided to attorneys for litigant Uwe Geertz, Armstrong  
10 purported to authenticate a document which he titles "Find a  
11 Better Basket." Armstrong further claims that "Find a Better  
12 Basket" supposedly describes some of his alleged experiences with  
13 and concerning plaintiff is the treatment for a screenplay which  
14 he hopes to sell. ;

15 119. As described in paragraphs 100-103, supra, Armstrong  
16 has, in concert with others, created a computer bulletin board  
17 which has as its purpose facilitating continuous breaches of the  
18 Agreement by electronic means.

19 120. As a direct and proximate result of Armstrong's breach  
20 of the Agreement by disclosing his experiences, by making media  
21 appearances, by repeatedly providing assistance to litigants,  
22 would-be claimants and their attorneys, and by creating and  
23 operating FACTI, which breaches are persistent and continuing,  
24 CSI is and will continue to be irreparably harmed, and unless  
25 Armstrong and those acting in concert with him are preliminarily  
26 and permanently enjoined from continuing that unlawful conduct,  
27 further irreparable harm will be caused to CSI.

28 ///

1 ON THE FIRST CAUSE OF ACTION

2 1. For compensatory and consequential damages according to  
3 proof.

4 2. For attorneys' fees and costs of suit.

5 ON THE SECOND CAUSE OF ACTION

6 1. For liquidated damages in the amount of \$50,000.

7 2. For attorneys' fees and costs of suit.

8 ON THE THIRD CAUSE OF ACTION

9 1. For compensatory and consequential damages according to  
10 proof.

11 2. For attorneys' fees and costs of suit.

12 ON THE FOURTH CAUSE OF ACTION

13 1. For liquidated damages in the amount of \$50,000.

14 2. For attorneys' fees and costs of suit.

15 ON THE FIFTH CAUSE OF ACTION

16 1. For liquidated damages in the amount of \$50,000.

17 2. For compensatory and consequential damages according to  
18 proof.

19 3. For attorneys' fees and costs of suit.

20 ON THE SIXTH CAUSE OF ACTION

21 1. For liquidated damages in the amount of \$50,000.

22 2. For attorneys' fees and costs of suit.

23 ON THE SEVENTH CAUSE OF ACTION

24 1. For liquidated damages in the amount of \$250,000.

25 2. For attorneys' fees and costs of suit.

26 ON THE EIGHTH CAUSE OF ACTION

27 1. For liquidated damages in the amount of \$50,000.

28 2. For attorneys' fees and costs of suit.

1 ON THE NINTH CAUSE OF ACTION

- 2 1. For compensatory and consequential damages according to  
3 proof.  
4 2. For liquidated damages in the amount of \$50,000.  
5 3. For attorneys' fees and costs of suit.

6 ON THE TENTH CAUSE OF ACTION

- 7 1. For compensatory and consequential damages according to  
8 proof.  
9 2. For attorneys' fees and costs of suit.

10 ON THE ELEVENTH CAUSE OF ACTION

- 11 1. For compensatory and consequential damages according to  
12 proof.  
13 2. For liquidated damages in the amount of \$50,000.  
14 3. For attorneys' fees and costs of suit.

15 ON THE TWELFTH CAUSE OF ACTION

- 16 1. For compensatory and consequential damages according to  
17 proof.  
18 2. For attorneys' fees and costs of suit.

19 ON THE THIRTEENTH CAUSE OF ACTION

- 20 1. For liquidated damages of \$150,000, and further  
21 liquidated damages according to proof.  
22 2. For attorneys' fees and costs of suit.

23 ON THE FOURTEENTH CAUSE OF ACTION

- 24 1. For liquidated damages in the amount of \$950,000.  
25 2. For attorneys' fees and costs of suit.

26 ON THE FIFTEENTH CAUSE OF ACTION

- 27 1. For liquidated damages in the amount of \$50,000.  
28 2. For attorneys' fees and costs of suit.



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ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: April 4, 1994

BOWLES & MOXON

By:   
Laurie J. Bartilson

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

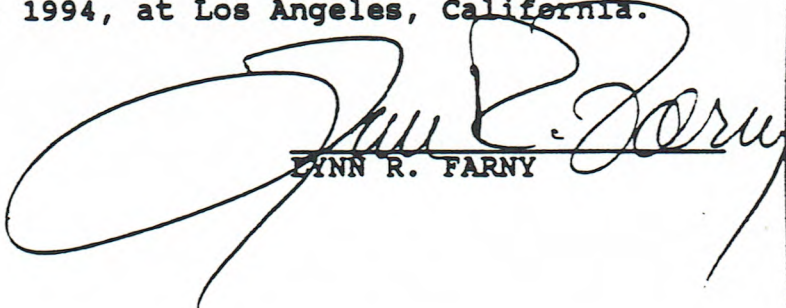
VERIFICATION

I, LYNN R. FARNY, declare as follows:

I am Secretary of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Second Amended Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed on April 4, 1994, at Los Angeles, California.



LYNN R. FARNY

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6 (213) 459-4745

7 Attorneys for Defendant  
GERALD ARMSTRONG

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF LOS ANGELES

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CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
not-for-profit religious )  
corporation; )  
Plaintiffs, )  
vs. )  
GERALD ARMSTRONG; DOES 1 )  
through 25, inclusive, )  
Defendants. )

No. BC 052395  
AMENDED ANSWER OF GERALD  
ARMSTRONG AND THE GERALD  
ARMSTRONG CORPORATION TO  
AMENDED COMPLAINT

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Defendant Gerald Armstrong, hereinafter "Armstrong," and The  
Gerald Armstrong Corporation, hereinafter "TGAC," defendants,  
hereby jointly submit the following amended answer to the amended  
complaint of plaintiff, CHURCH OF SCIENTOLOGY INTERNATIONAL,  
hereinafter "CSI." Although the following Answer may be framed in  
the singular, it shall be interpreted to refer to both answering  
defendants unless the referred to event took place before July

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1 1987, in which event said allegation shall apply to Gerald  
2 Armstrong as an individual only because prior to said date TGAC  
3 did not exist.

4 1. Armstrong admits there was a settlement agreement  
5 entered into in December, 1986, but denies each and every  
6 allegation of the rest of this paragraph. Armstrong's only  
7 actions have been those necessitated by the violations by the  
8 Scientology organization, including CSI, hereinafter the "ORG," of  
9 the express terms and spirit of the settlement agreement. It is  
10 the ORG which has embarked on a deliberate campaign to breach the  
11 provisions of the agreement, and foment litigation, hatred and  
12 ill-will against ARMSTRONG.

13 2. Armstrong admits that he entered into a settlement  
14 agreement with the ORG in December 1986 of his cross-complaint in  
15 Church of Scientology of California v. Gerald Armstrong, Los  
16 Angeles Superior Court No. C 420 153 hereinafter Armstrong I.  
17 Armstrong denies that the agreement was for the benefit of  
18 numerous third-parties; he asserts that the agreement is to  
19 constitute a fraud on courts, nationally and internationally, and  
20 upon the public of the World. Armstrong denies that the  
21 description of the ORG as a church is true. Armstrong denies  
22 CSI's description of him. It is the ORG which sought by litigation  
23 and covert means to disrupt Armstrong's activities and life, and  
24 which displayed through the years an intense and abiding hatred  
25 for Armstrong, and an eagerness to annoy and harass Armstrong by  
26 spreading enmity and hatred about him among its employees,  
27 customers, victims, in the media, the courts and the world.  
28 Armstrong denies that the ORG sought to end Armstrong's covert

1 activities, because there were no such covert activities, nor to  
2 end the litigation. Armstrong denies that the agreement contained  
3 carefully negotiated and agreed-upon provisions. Armstrong was not  
4 included in one word of the negotiations, which were engineered by  
5 the ORG through the compromise of Armstrong's attorney. Armstrong  
6 never agreed to the conditions, but did agree with the  
7 representations of his attorney that the conditions were  
8 unenforceable. Armstrong denies that the ORG bargained for the  
9 settlement provisions to put an end to enmity and strife generated  
10 by Armstrong because Armstrong generated no such enmity and  
11 strife.

12 3. Armstrong denies that this action arises from his  
13 deliberate and repeated breaches of provisions of the agreement.  
14 Armstrong denies moreover that he can violate the agreement  
15 because its provisions are contrary to public policy and illegal.  
16 Armstrong denies that the ORG fully performed its obligations  
17 under the agreement; rather, it violated both the letter and  
18 spirit from the date of its signing. Armstrong denies that he  
19 never intended to keep his part of the bargain. Armstrong admits  
20 that, based on the representations of his lawyer that the  
21 referenced provisions were unenforceable and that the ORG lawyers  
22 also knew they were unenforceable, he also considered said  
23 provisions unenforceable. Armstrong denies that he ever extracted  
24 money from the ORG. Armstrong denies that in June 1991 he had  
25 finished spending his money. In August 1990 Armstrong had given  
26 away all his assets for reasons unrelated to the ORG, except that  
27 he evaluated that because the ORG committed so much harm with its  
28 billions of dollars there was no reason not to give his money

1 away, and that it was better to combat the ORG's tyranny without  
2 money than not to combat it with wheelbarrow loads of it.  
3 Armstrong denies that in June, 1991 he began any campaign,  
4 provided any confidential information to anyone, copies of any  
5 agreement, declarations, and paralegal assistance to any  
6 litigants. Armstrong denies that the ORG repeatedly demanded that  
7 Armstrong end his constant and repeated breach of the provisions  
8 of the agreement. There has never been a constant and repeated  
9 breach of the provisions of the agreement by Armstrong, nor has  
10 there ever been a repeated demand from the ORG.

11 4. Armstrong denies that the ORG bargained for peace.  
12 Armstrong admits that the ORG requests liquidated damages, but  
13 denies that the ORG is due such damages pursuant to the terms of  
14 the agreement, and states that said liquidated damages are  
15 invalid. By its acts in violation of the agreement the ORG has  
16 sacrificed its right to any relief, including damages. It is  
17 Armstrong who is due liquidated damages. Armstrong denies that  
18 the ORG requests injunctive relief to prevent additional and  
19 future breaches by Armstrong. There have been no breaches by  
20 Armstrong and there can be no future breaches by Armstrong because  
21 of the ORG's violations of the agreement and because the agreement  
22 itself is contrary to public policy and illegal.

23 5. Armstrong denies CSI's description of itself. Armstrong  
24 admits that CSI is incorporated under the laws of the State of  
25 California and has its principal offices in Los Angeles.  
26 Armstrong denies that Scientology is a religion. Scientology  
27 employs a self-ascribed religious status so as to exploit the  
28 extraordinary benefits conferred by the religious liberty clauses

1 of the First Amendment to the United States Constitution.

2 6. Armstrong admits that he is a resident of Marin County,  
3 California.

4 7. Armstrong lacks knowledge or information sufficient to  
5 form a belief as to the truth of the averments in this paragraph  
6 and is therefore unable to admit or deny the same.

7 8. Armstrong admits the truth of the averments in this  
8 paragraph.

9 9. Armstrong admits that the agreement was entered into  
10 with the participation of respective counsel, but denies that it  
11 was after full negotiation. Armstrong denies that the provisions  
12 of the agreement were carefully framed by the parties and their  
13 counsel to accurately reflect the agreement of the parties.  
14 Armstrong only participated in the framing of one provision in the  
15 agreement, the one allowing him to keep his art. Armstrong was,  
16 in fact, carefully kept in the dark concerning the settlement  
17 provisions by the ORG and his counsel. The provisions, moreover,  
18 do not contain the actual agreement of the parties concerning  
19 their unenforceability. Nor do they contain the agreement whereby  
20 the ORG contracted with Armstrong's lawyer to not represent him in  
21 future litigation regarding the agreement. And they do not  
22 contain the agreement whereby Armstrong's lawyer would assist the  
23 ORG in allowing it to attack Armstrong without his response, nor  
24 the side indemnity agreement and other agreements with Armstrong's  
25 lawyer for a collusive appeal and rigged retrial of the underlying  
26 action. The purpose of the agreement was to engineer a reversal  
27 of Judge Breckenridge's 1984 decision holding for Armstrong on  
28 Scientology's complaint against Armstrong in Armstrong I.

1 10. Armstrong denies the totality of this paragraph. There  
2 never was a series of covert activities by Armstrong intended to  
3 discredit ORG leaders, spark government raids, create phony  
4 "evidence" of wrongdoing against the ORG and ultimately destroy  
5 the ORG and its leadership.

6 11. Armstrong admits that when asked by ORG lawyer Lawrence  
7 Heller during the videotaped signing of the settlement agreement  
8 if he was acting of his own free will he said he was. Armstrong  
9 was, however, under great duress resulting from years of ORG  
10 abuse, threats and attacks, his manipulation by the ORG through  
11 his attorney as a deal-breaker during the settlement, and his  
12 knowledge of ORG policies of hatred and vindictiveness. Armstrong  
13 denies that in later 1991 he revealed for the first time that he  
14 believed at the time the agreement was signed the provisions were  
15 unenforceable. Armstrong put his opinion of the provisions'  
16 unenforceability in his declaration dated March 15, 1990, which  
17 the ORG received within a week of that date. Moreover,  
18 Armstrong's lawyer, Michael Flynn, advised Armstrong that he had  
19 advised the ORG in December 1986, before the agreement was signed  
20 that the provisions were unenforceable.

21 12. Armstrong does not answer these allegations of this  
22 paragraph inasmuch as they have been stricken by court order.

23 13. Armstrong admits the averments of this paragraph.

24 14. Armstrong admits the averments of this paragraph.

25 15. Armstrong admits the averments of this paragraph.

26 16. Armstrong denies each and every averment of this  
27 paragraph.

28 17. In answering the averments contained in this paragraph

1 wherein CSI adopts by reference paragraphs 1 through 16 of its  
2 averments, Armstrong admits, denies and avers to the same effect  
3 and in the same manner as he admitted, denied and averred with  
4 respect to those specific paragraphs as previously set forth in  
5 this answer.

6 18. Armstrong admits the averments of this paragraph, but  
7 denies that the Aznarans were Scientology parishioners; they were  
8 Scientology victims. Scientology is not a religion.

9 19. Armstrong admits the averments of this paragraph.

10 20. Armstrong admits that while Yanny was acting as the  
11 Aznarans' counsel he asked Armstrong to help him, but denies that  
12 Yanny hired him as paralegal to work on the Aznaran case.

13 21. Armstrong admits that he agreed to travel to Los Angeles  
14 from Marin Country but denies that he asked Yanny to pay him  
15 \$500.00 for his proposed help.

16 22. Armstrong admits the averments of this paragraph except  
17 that he denies that he provided "paralegal assistance." Armstrong  
18 did assist in drafting two evidentiary declarations, which he  
19 personally executed as a witness.

20 23. Armstrong lacks knowledge or information sufficient to  
21 form a belief as to the truth of the averments in this paragraph  
22 and is therefore unable to admit or deny the same.

23 24. Armstrong denies each and every averment of this  
24 paragraph.

25 25. Armstrong denies each and every averment of this  
26 paragraph. Whatever assistance Armstrong gave Yanny in the  
27 Aznaran litigation caused the ORG no damage, but assisted it in  
28 its publicly stated goal of peace.

1           26. In answering the averments contained in this paragraph  
2 wherein CSI adopts by reference paragraphs 1 through 16 and 18  
3 through 25 of its averments, Armstrong admits, denies and avers to  
4 the same effect and in the same manner as he admitted, denied and  
5 averred with respect to those specific paragraphs as previously  
6 set forth in this answer.

7           27. Armstrong admits the averments of this paragraph except  
8 that he denies that Yanny indicated to CSI's counsel that he  
9 represented Armstrong, and Armstrong denies that there exists any  
10 order of injunction prohibiting Yanny from representing Armstrong  
11 in any manner whatsoever in any matters relating to anyone.

12           28. Armstrong lacks knowledge or information sufficient to  
13 form a belief as to the truth of the averments in this paragraph  
14 and is therefore unable to admit or deny the same.

15           29. Armstrong denies each and every averment of this  
16 paragraph. Armstrong adds, moreover, that if, as the ORG alleges,  
17 the Court in RTC v. Yanny rejected Yanny's defense which was  
18 supported by Armstrong's declarations, Armstrong could not with  
19 those declarations have aided Yanny.

20           30. Armstrong admits that he attached the settlement  
21 agreement to his July 16, 1991 declaration as an exhibit, but  
22 denies that he had agreed to keep the terms of the agreement  
23 confidential. Armstrong was under duress when signing the  
24 agreement and did not ever agree with the unenforceable conditions  
25 of the agreement including confidentiality regarding the agreement  
26 itself. Nevertheless, he did not discuss the agreement until  
27 after it was made public by the California Court of Appeal.  
28 Armstrong filed the agreement under seal in the Court of Appeal in

1 February, 1990 in order to prevent a fraud upon the Court being  
2 perpetrated by the ORG, and it was the Court of Appeal which sua  
3 sponte unsealed the agreement. But prior to filing the agreement  
4 in the Court of Appeal, Armstrong had already been relieved of any  
5 conceivable obligation to keep the agreement confidential by the  
6 ORG's divulging of its contents in other litigations, and  
7 therefore waiving any right to have it remain confidential  
8 thereafter.

9 31. Armstrong admits that he has never paid the ORG \$50,000,  
10 but denies that the ORG has ever demanded payment of \$50,000,  
11 denies that he owes \$50,000 to the ORG for anything and denies  
12 that whatever he has done at any time was a breach of the  
13 agreement. The agreement is illegal and against public policy and  
14 the ORG has by its own acts sacrificed any right it ever may have  
15 had to enforce any of its provisions.

16 32. In answering the averments contained in this paragraph  
17 wherein CSI adopts by reference paragraphs 1 through 16, 18  
18 through 25 and 27 through 31 of its averments, Armstrong admits,  
19 denies and avers to the same effect and in the same manner as he  
20 admitted, denied and averred with respect to those specific  
21 paragraphs as previously set forth in this answer.

22 33. Armstrong admits the averments of this paragraph.

23 34. Armstrong admits that in August 1991 he began working in  
24 Ford Greene's office and that his paralegal duties at that time  
25 involved work on the Aznaran case. Armstrong denies that  
26 thereafter the Aznarans hired John Elstead. Armstrong admits that  
27 his employment in Greene's office has continued to the present,  
28 but he denies that his activities constitute a daily and



1 continuing breach of any contract. The ORG's bargain has been  
2 rendered a nullity, because it is the ORG which has, through its  
3 attacks on Armstrong, its overweening reliance on Fair Game and  
4 similar antisocial policies, and its attempt to force upon the  
5 world an agreement illegal in the first place, done it to itself.

6 35. Armstrong denies each and every averment of this  
7 paragraph.

8 36. In answering the averments contained in this paragraph  
9 wherein CSI adopts by reference paragraphs 1 through 16, 18  
10 through 25, 27 through 31 and 33 through 35 of its averments,  
11 Armstrong admits, denies and avers to the same effect and in the  
12 same manner as he admitted, denied and averred with respect to  
13 those specific paragraphs as previously set forth in this answer.

14 37. Armstrong admits the averments of this paragraph except  
15 that he denies that any of his actions are violations of the  
16 agreement and that he is required to pay the ORG one penny in  
17 liquidated damages.

18 38. Armstrong admits that he has not paid the ORG \$50,000,  
19 but denies that the ORG ever made a demand for \$50,000 and denies  
20 that whatever he has done is a breach of the agreement.

21 39. In answering the averments contained in this paragraph  
22 wherein CSI adopts by reference paragraphs 1 through 16, 18  
23 through 25, 27 through 31, 33 through 35 and 37 and 38 of its  
24 averments, Armstrong admits, denies and avers to the same effect  
25 and in the same manner as he admitted, denied and averred with  
26 respect to those specific paragraphs as previously set forth in  
27 this answer.

28 40. Armstrong admits the averments of this paragraph except

1 that he denies that the press release violated the agreement and  
2 that the press release constituted disclosures of his experiences  
3 with Scientology. Statements containing the same facts and  
4 similar language are contained in the public file in this case in  
5 which the ORG has sued Armstrong; therefore there is in the press  
6 release no disclosure. Moreover, the ORG, by itself using  
7 Armstrong's experiences in its litigations and to attack Armstrong  
8 after the settlement lost any right it may have once had to  
9 complain of Armstrong's discussing his experiences to counter its  
10 attacks. The agreement's confidentiality provisions are  
11 antithetical to civilized conduct, impossible to perform, contrary  
12 to public policy and illegal.

13 41. Armstrong admits the averments of this paragraph except  
14 that he denies that the distribution of the press release violated  
15 the provisions of the agreement. By suing Armstrong publicly, by  
16 attacking him publicly and by making public itself the conditions  
17 of the agreement, including filing the agreement in open court,  
18 the ORG waived any right it may have once had to object to  
19 Armstrong's public discussion of the litigation or the agreement  
20 it concerned. The agreement, moreover, is illegal; therefore it  
21 is unenforceable and Armstrong is not bound by any part of it.

22 42. Armstrong denies each and every averment of this  
23 paragraph.

24 43. In answering the averments contained in this paragraph  
25 wherein CSI adopts by reference paragraphs 1 through 16, 18  
26 through 25, 27 through 31, 33 through 35, 37, 38 and 40 through 42  
27 of its averments, Armstrong admits, denies and avers to the same  
28 effect and in the same manner as he admitted, denied and averred

1 with respect to those specific paragraphs as previously set forth  
2 in this answer.

3 44. Armstrong admits that on March 20, 1992 he and Greene  
4 granted the media interviews, but denies that such interviews were  
5 additional. Armstrong denies that any such interviews violated  
6 any part of the agreement. Armstrong admits that he stated that  
7 he is an expert in the misrepresentations Hubbard made about  
8 himself from the beginning of Dianetics until the day he died.  
9 Armstrong admits that he is such an expert. Armstrong lacks the  
10 information and knowledge sufficient to form a belief as to the  
11 truth of the averment in this paragraph that Exhibit C to the  
12 ORG's complaint is a true and correct transcription of the CNN  
13 broadcast and is therefore unable to admit or deny the same.

14 45. Armstrong denies each and every averment of this  
15 paragraph.

16 46. In answering the averments contained in this paragraph  
17 wherein CSI adopts by reference paragraphs 1 through 16, 18  
18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42  
19 and 44 and 45 of its averments, Armstrong admits, denies and avers  
20 to the same effect and in the same manner as he admitted, denied  
21 and averred with respect to those specific paragraphs as  
22 previously set forth in this answer.

23 47. Armstrong admits that he agreed to appear voluntarily as  
24 an expert witness in the Hunziker case. He denies that his  
25 expertise is alleged and denies that his expertise is such that it  
26 should be set off in the ORG's complaint in quotation marks. He  
27 denies that his expertise is in Scientology, but rather in the  
28 fraud of Scientology and the ORG's doctrine of Fair Game.

1 Armstrong admits that the World Institute of Scientology  
2 Enterprises, Inc. is named as a defendant in the Hunziker case,  
3 admits that it is an ORG dominated entity, but denies that it, nor  
4 any other ORG entity, is protected by the agreement.

5 48. Armstrong admits that he met with Rummonds and Elstead,  
6 attorneys for plaintiffs in the Hunziker case, but denies that he  
7 discussed his experiences with any entities protected by the  
8 agreement. Armstrong denies that any entities are protected by  
9 the agreement because it is unenforceable on its face and,  
10 moreover, has been rendered void by the ORG's post-settlement  
11 attacks on Armstrong and its illegal efforts at enforcement.  
12 Armstrong admits that he agreed to appear for plaintiffs as an  
13 expert on the aspects of Scientology practices and beliefs of  
14 fraud and Fair Game.

15 49. Armstrong admits the averments of this paragraph except  
16 that he denies that he testified at length concerning CSI or any  
17 other ORG affiliated entities and individuals protected by the  
18 agreement, because no entities or individuals are protected by the  
19 agreement due to the ORG's acts to contravene it.

20 50. Armstrong admits that he produced documents during his  
21 March 3, 1992 deposition but denies that there are any documents  
22 referred to in paragraph 46 of the ORG's complaint. Armstrong  
23 denies moreover that any documents he produced at the deposition  
24 were in violation of any agreement.

25 51. Armstrong admits that he appeared for a deposition on or  
26 about March 12, 1992 in the Hunziker case. He denies that he  
27 claimed he had been given a subpoena not by the deposing attorney.  
28 Armstrong admits that he said he had been given a deposition

1 subpoena by attorney Elstead and that Elstead had filled out the  
2 subpoena that morning. Armstrong admits that he refused to  
3 produce the subpoena, but lacks the information or knowledge to  
4 admit or deny the averment that it was not served on any of the  
5 parties to the case. Armstrong admits that he delivered documents  
6 to Elstead on or about March 8, 1992 and requested that he be  
7 served with a subpoena, but denies that his delivery of documents  
8 was in violation of the agreement.

9 52. Armstrong lacks the information or knowledge sufficient  
10 to form a belief as to what the ORG learned in April 1992 so as to  
11 that averment he cannot either admit or deny this allegation.  
12 Armstrong does deny that he reacquired any documents which he had  
13 previously returned to the ORG. And he denies that he produced  
14 any such documents either to Elstead or to opposing counsel at any  
15 time.

16 53. Armstrong denies each and every averment of this  
17 paragraph.

18 54. In answering the averments contained in this paragraph  
19 wherein CSI adopts by reference paragraphs 1 through 16, 18  
20 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
21 44, 45 and 47 through 52 of its averments, Armstrong admits,  
22 denies and avers to the same effect and in the same manner as he  
23 admitted, denied and averred with respect to those specific  
24 paragraphs as previously set forth in this answer.

25 55. Armstrong denies each and every averment of this  
26 paragraph except that he did testify on or about April 7, 1992 in  
27 the Yanny case. The ORG compelled Armstrong to testify on that  
28 date in that case. The ORG filed the agreement publicly months

1 before this deposition, and the ORG had forced Armstrong to file  
2 the agreement in the Court of Appeal, which sua sponte, unsealed  
3 it, because of the ORG's efforts to make him a party to its  
4 subversion of the justice system. The ORG, moreover, divulged the  
5 contents of the agreement at least as early as 1989, thus giving  
6 up any right it may have had to keep it confidential.

7 56. Armstrong denies each and every averment of this  
8 paragraph.

9 57. In answering the averments contained in this paragraph  
10 wherein CSI adopts by reference paragraphs 1 through 16, 18  
11 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
12 44, 45, 47 through 52 and 55 of its averments, Armstrong admits,  
13 denies and avers to the same effect and in the same manner as he  
14 admitted, denied and averred with respect to those specific  
15 paragraphs as previously set forth in this answer.

16 58. Armstrong denies each and every averment of this  
17 paragraph.

18 59. Armstrong admits that he gave a declaration in the  
19 Aznaran litigation on August 26, 1991, but denies that his action  
20 was a violation of any provision of the agreement.

21 60. Armstrong admits that his declaration attached as  
22 exhibits the two documents referred to in paragraph 58 of the  
23 ORG's complaint, but denies that said attachment was in breach of  
24 any provisions of the agreement.

25 61. Armstrong denies each and every averment of this  
26 paragraph.

27 62. Armstrong denies each and every averment of this  
28 paragraph.

1           63. In answering the averments contained in this paragraph  
2 wherein CSI adopts by reference paragraphs 1 through 16, 18  
3 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
4 44, 45, 47 through 52, 54, 55 and 58 through 60 of its averments,  
5 Armstrong admits, denies and avers to the same effect and in the  
6 same manner as he admitted, denied and averred with respect to  
7 those specific paragraphs as previously set forth in this answer.

8           64. Armstrong lacks the information or knowledge sufficient  
9 to form a belief as to what the ORG learned in March 1992 so as to  
10 that averment he cannot either admit or deny.

11           65. Armstrong denies each and every averment of this  
12 paragraph.

13           66. Armstrong denies each and every averment of this  
14 paragraph. He denies moreover that his giving voluntary  
15 assistance to anyone not only does not harm the ORG but assists  
16 the ORG, and that such voluntary assistance to anyone cannot be  
17 proscribed by any agreement, and that any agreement which attempts  
18 to proscribe voluntary assistance is against public policy,  
19 violative of the Constitutional right to freedom of speech,  
20 association, press and religion, and is unenforceable.

21           67. In answering the averments contained in this paragraph  
22 wherein CSI adopts by reference paragraphs 1 through 16, 18  
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
24 44, 45, 47 through 52, 54, 55, 58 through 60 and 64 and 65 of its  
25 averments, Armstrong admits, denies and avers to the same effect  
26 and in the same manner as he admitted, denied and averred with  
27 respect to those specific paragraphs as previously set forth in  
28 this answer.

1           68. Armstrong admits the averments of this paragraph, but  
2 denies that ORG entities CSI, CSC and RTC are protected by the  
3 agreement, because they cannot be protected legally by an illegal  
4 contract and they have acted themselves to vitiate and waive  
5 whatever protection they might at one time have had, if any.

6           69. Armstrong admits that in his May 27, 1992 declaration he  
7 did authenticate another declaration he had executed earlier.  
8 Armstrong lacks the information or knowledge sufficient to form a  
9 belief as to whether the transcript had at one time been ordered  
10 sealed in the earlier action between him and the ORG, so as to  
11 that averment he cannot either admit or deny. The transcript,  
12 however, has been a public document since 1982, and the tape  
13 recordings from which the transcript had originated have been  
14 found by the 9th Circuit Court of Appeals to contain evidence of  
15 criminal fraud and were released to the Criminal Investigation  
16 Division of the IRS. Armstrong denies that any of his acts are  
17 violations of any paragraphs of the agreement and denies that he  
18 is required to pay one cent to CSI.

19           70. Armstrong denies each and every averment of this  
20 paragraph.

21           71. In answering the averments contained in this paragraph  
22 wherein CSI adopts by reference paragraphs 1 through 16, 18  
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
24 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65 and 68 and 69  
25 of its averments, Armstrong admits, denies and avers to the same  
26 effect and in the same manner as he admitted, denied and averred  
27 with respect to those specific paragraphs as previously set forth  
28 in this answer.





1 each and every allegation contained in paragraphs 1 through 16, 18  
2 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
3 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69 and  
4 72 through 75 herein and allege as follows:

5 The complaint and each cause of action contained herein fails  
6 to state a cause of action against these defendants upon which  
7 relief can be granted.

8 SECOND AFFIRMATIVE DEFENSE

9 (This Court Cannot Enjoin The Practice Of A Profession)

10 78. Further answering said first amended complaint, and as a  
11 second, separate and affirmative defense thereto, these answering  
12 defendants allege as follows:

13 Any attempt by plaintiff to limit the ability to obtain  
14 gainful employment by these answering defendants, or any of them,  
15 is void and unenforceable as a matter of public policy, and  
16 constitutes an unenforceable restraint on the right of defendants,  
17 or any of them, to pursue their chosen profession.

18 THIRD AFFIRMATIVE DEFENSE

19 (Unclean Hands)

20 79. Further answering said first amended complaint, and as a  
21 third, separate and affirmative defense thereto, these answering  
22 defendants repeat, reallege and incorporate by reference herein  
23 each and every allegation contained in paragraphs 1 through 16, 18  
24 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
25 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
26 through 75, 77, 78, and 80 through 88 herein and allege as  
27 follows:

28 Plaintiff is barred from bringing this action against these

1 defendants and/or obtaining the equitable relief requested herein  
2 under the doctrine of unclean hands.

3 FOURTH AFFIRMATIVE DEFENSE

4 (In Pari Delicto)

5 80. Further answering said first amended complaint, and as a  
6 fourth, separate and affirmative defense thereto, these answering  
7 defendants repeat, reallege and incorporate by reference herein  
8 each and every allegation contained in paragraphs 1 through 16, 18  
9 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
10 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
11 through 75, 77 through 79, and 81 through 88, herein and allege as  
12 follows:

13 Notwithstanding the things alleged of defendants in the  
14 complaint, which are denied in the applicable paragraphs herein,  
15 plaintiffs' and its counsels' conduct in connection with the  
16 events giving rise to this action bars plaintiff from recovery  
17 with regard to the complaint under the doctrine of in pari  
18 delicto.

19 FIFTH AFFIRMATIVE DEFENSE

20 (Illegality)

21 81. Further answering said first amended complaint, and as a  
22 fifth, separate and affirmative defense thereto, these answering  
23 defendants repeat, reallege and incorporate by reference herein  
24 each and every allegation contained in paragraphs 1 through 16, 18  
25 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
26 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
27 through 75, 77 through 80, and 82 through 88, herein and allege as  
28 follows:

1 Plaintiff is barred from bringing this action as a result of  
2 its acts of illegality in connection with matters that give rise  
3 to this case. Particularly plaintiff and other Scientology-  
4 related entities engaged in a wholesale attempt to obstruct  
5 justice, suppress evidence in order to deny redress, due process,  
6 and equal protection of the law to its civil and criminal victims  
7 by means of obtaining settlements of litigation in actions in  
8 various state and federal courts across the United States. In  
9 each of those actions attorney Michael J. Flynn was attorney of  
10 record, or coordinating counsel for litigants adverse to  
11 Scientology. In each of those actions litigants adverse to  
12 Scientology were coerced into signing secret settlement agreements  
13 the terms of which were substantially similar to those set forth  
14 in the settlement agreement at issue herein.

15 Plaintiff is further barred from bringing this action because  
16 as a material part of entering the settlement agreement with  
17 defendant, plaintiff required defendant's counsel, Michael Flynn,  
18 to sign secret side agreements for indemnification for resolution  
19 of the retrial of Armstrong I were plaintiff and other  
20 Scientology-related entities successful in obtaining reversal of  
21 Judge Breckenridge's decision on appeal. In such agreement  
22 Scientology promised to limit its collections of damages to  
23 \$25,001.00 and to indemnify Flynn for the payment thereof and  
24 Flynn, in turn, would indemnify Armstrong for any such judgment.  
25 The existence of these secret, side agreements were never  
26 disclosed to Armstrong by Flynn, plaintiff, or other Scientology-  
27 related entities.

28 Plaintiff is further barred from bringing this action because

1 as a material part of entering said settlement agreements, it or  
2 its agents required attorney Flynn to promise never to take any  
3 anti-Scientology cases in the future. Thereafter, although Flynn  
4 has refused to provide any declarations for defendant Armstrong,  
5 he has been willing to provide documentary assistance to  
6 Scientology.

7 Plaintiff is further barred from bringing this action as a  
8 result of its acts of illegality in connection with the commission  
9 of acts giving rise to the action entitled Aznaran v. Church of  
10 Scientology of California, Case No C88-1786 JMI (Ex) in the United  
11 States District Court for the Central District of California (the  
12 "Aznaran case"); conduct by plaintiff, its counsel and others,  
13 including but not limited to the making of certain settlement  
14 proposals to Barry Van Sickle, Esq., for direct communication to  
15 Vicki and Richard Aznaran ("the Aznarans") knowing that Van Sickle  
16 had been disqualified from representing the Aznarans, and knowing  
17 that the Aznarans at the time were represented by Ford Greene and  
18 participating in conduct which resulted in the Aznarans (in hopes  
19 of facilitating settlement and in accordance with plaintiff's  
20 conditions) dismissing their counsel, Ford Greene, whereupon while  
21 the Aznarans were in pro per, plaintiff withdrew any offer of  
22 settlement and commenced loading up the record with voluminous,  
23 sophisticated and dispositive motions, including but not limited  
24 to two for summary judgment. In consequence thereof defendant  
25 Armstrong only provided aid and assistance to counsel whom the  
26 Aznarans subsequently employed for the purpose of preserving their  
27 rights to redress, due process and equal protection of the law.

28 Furthermore, other acts of illegality by plaintiff and other

1 Scientology-related entities have been publicly documented.  
2 Plaintiffs have engaged in acts of impropriety, as set forth  
3 above, and including what the District Court in the Aznaran case  
4 referred to in a written order, entered after most of the events  
5 in issue herein, as "outrageous litigation tactics." Also, in  
6 addition to the Flynn settlement agreements the conduct of  
7 plaintiff and other Scientology-related organizations, entities  
8 and individuals against persons "adverse to Scientology" including  
9 citizens, counsel, judges and government authorities (including  
10 but not limited to illegal surveillance, obtaining telephone  
11 company records, breaking and entering, threatening conduct, and  
12 violence) have discouraged and intimidated knowledgeable persons  
13 from disclosing their knowledge about, or otherwise coming forward  
14 against, the illegal activities of plaintiff and other  
15 Scientology-related organizations, entities and individuals, and  
16 from assisting victims thereof to obtain redress, due process and  
17 equal protection of the law.

18 SIXTH AFFIRMATIVE DEFENSE

19 (Fraud and Deceit)

20 82. Further answering said first amended complaint, and as a  
21 sixth, separate and affirmative defense thereto, these answering  
22 defendants repeat, reallege and incorporate by reference herein  
23 each and every allegation contained in paragraphs 1 through 16, 18  
24 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
25 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
26 through 75, and 81 through 88, herein and allege as follows:

27 Plaintiff is barred from bringing this action against these  
28 defendants, and each of them, because of its fraud and deceit in

1 representing to defendants, and each of them, that its management  
2 had changed and no longer would engage in illegal activities, that  
3 it wanted to buy peace, that it would leave defendants, and each  
4 of them alone, and that the false affidavit that it required  
5 Armstrong to sign as a condition of the settlement would be  
6 disclosed only if Armstrong attacked the ORG. Plaintiff made the  
7 foregoing representations to defendants, and each of them, with  
8 knowledge of the falsity thereof at the time said representations  
9 were made and with the intent to deceive defendants, and each of  
10 them, who actually and justifiably relied on those material  
11 misrepresentations to their injury by signing the settlement  
12 agreement. In fact, plaintiff and other Scientology-related  
13 organizations, entities and individuals never intended to cease  
14 their illegal and immoral activities, never intended to buy peace  
15 with defendants, and each of them, never intended to leave  
16 Armstrong alone, never intended not to use the false declaration  
17 only if Armstrong attacked the ORG, and never intended to abide by  
18 the terms of the settlement agreement. Rather plaintiff and other  
19 Scientology-related entities intended to use the settlement  
20 agreement as a tool for the implementation of the Fair Game Policy  
21 and Scientology's litigation tactics so as to engineer a reversal  
22 of Judge Breckenridge's decision in Armstrong I, to collusively  
23 resolve any re-trial of Armstrong I, to obtain possession of the  
24 so-called MCCS tapes which were evidence of Scientology employing  
25 attorneys for the purpose of committing future crimes and frauds,  
26 to use the false declaration in other litigation without regard to  
27 Armstrong's conduct, and to otherwise obstruct justice and  
28 suppress evidence of facts which discredited plaintiff and other

1 Scientology-related entities.

2 Said Fair Game Policy states that any enemy of Scientology  
3 "[m]ay be deprived of property or injured by any means  
4 by any Scientologist without any discipline of the  
5 Scientologist. May be tricked, sued or lied to or  
6 destroyed."

7 Scientology's litigation strategy is as follows:

8 "The law can be used very easily to harass, and enough  
9 harassment on somebody who is simply on the thin edge  
10 anyway, well knowing that he is not authorized, will  
11 generally be sufficient to cause his professional  
12 decease. If possible, of course, ruin him utterly."

13 From the outset, prior to the execution of the settlement  
14 agreement with defendant, and the execution of all other Flynn  
15 settlement agreements, it was the intent of plaintiff and other  
16 Scientology-related organizations, entities and individuals to  
17 continue to wage war on and harass Armstrong, to continue to  
18 engage in illegal activities and conduct, and to suppress evidence  
19 and obstruct justice by means of said agreements and to use said  
20 agreements as a tool of Fair Game and the litigation strategy of  
21 ruin in order to ensure that information regarding Scientology's  
22 crimes and civil misconduct would stay suppressed, and its  
23 criminal and civil victims would be denied legal redress and  
24 justice.

25 Moreover, Flynn advised Armstrong that he would always be  
26 available in the future to represent Armstrong if Armstrong had to  
27 litigate with the ORG in the future. Said statement was false and  
28 misleading because Flynn had signed an agreement with the ORG



1 promising not to represent anti-ORG litigants in the future.  
2 Armstrong relied on the truth of Flynn's statement in signing the  
3 settlement agreement.

4 SEVENTH AFFIRMATIVE DEFENSE

5 (Estoppel)

6 83. Further answering said first amended complaint, and as a  
7 seventh, separate and affirmative defense thereto, these answering  
8 defendants repeat, reallege and incorporate by reference herein  
9 each and every allegation contained in paragraphs 1 through 16, 18  
10 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
11 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
12 through 75, 81, 82 and 84 through 88, herein and allege as  
13 follows:

14 Plaintiff is equitably estopped from asserting each and all  
15 of the purported causes of action in the complaint by reason of  
16 its own acts, omissions, and conduct, or that of its agents,  
17 including, but not limited to the fact that it violated the  
18 settlement agreement in that it or its agents provided information  
19 from Armstrong I that was the subject of the settlement agreement  
20 to various persons and in various litigation including but not  
21 limited to The London Sunday Times, The Los Angeles Times, the  
22 instant litigation, the Corydon litigation, and in Church of  
23 Scientology of California v. Russell Miller and Penguin Books  
24 Limited in the High Court of Justice, Case No. 6140 in London,  
25 England, where a Scientology-related entity filed multiple  
26 affidavits attacking defendant Armstrong.

27 As yet a further basis for barring plaintiff on the ground of  
28 estoppel, defendant has requested plaintiff and other Scientology-

1 related entities to release Flynn and his other former attorneys  
2 from the agreements they signed never to represent Armstrong  
3 again, and plaintiff and said entities have refused to do so.

4 EIGHTH AFFIRMATIVE DEFENSE

5 (Waiver)

6 84. Further answering said first amended complaint, and as  
7 an eighth, separate and affirmative defense thereto, these  
8 answering defendants repeat, reallege and incorporate by reference  
9 herein each and every allegation contained in paragraphs 1 through  
10 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40  
11 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,  
12 68, 69, 72 through 75, 81, 82, and 83, herein and allege as  
13 follows:

14 Plaintiff is barred from bringing this action against these  
15 defendants, and each of them, by reason of their own acts,  
16 omissions and conduct, or that of its agents.

17 NINTH AFFIRMATIVE DEFENSE

18 (Mistake Of Law)

19 85. Further answering said first amended complaint, and as a  
20 ninth, separate and affirmative defense thereto, these answering  
21 defendants repeat, reallege and incorporate by reference herein  
22 each and every allegation contained in paragraphs 1 through 16, 18  
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
24 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
25 through 75, 81 through 84, and 86 through 88, herein and allege as  
26 follows:

27 Plaintiff is barred from bringing this action against these  
28 defendants, and each of them, because defendant Armstrong's former

1 attorney, Michael Flynn, advised said defendant that the  
2 provisions of the settlement agreement that plaintiff is seeking  
3 to enforce herein were not in any way enforceable. Armstrong  
4 relied on such representations, but for which he would not have  
5 signed said settlement agreement.

6 TENTH AFFIRMATIVE DEFENSE

7 (Mistake Of Fact)

8 86. Further answering said first amended complaint, and as a  
9 tenth, separate and affirmative defense thereto, these answering  
10 defendants repeat, reallege and incorporate by reference herein  
11 each and every allegation contained in paragraphs 1 through 16, 18  
12 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
13 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
14 through 75, 81 through 85, 87, and 88, herein and allege as  
15 follows:

16 Plaintiff is barred from bringing this action against these  
17 defendants, and each of them, because defendant Armstrong's former  
18 attorney, Michael Flynn, advised said defendant that the  
19 provisions of the settlement agreement that plaintiff is seeking  
20 to enforce herein were not in any way enforceable. Armstrong  
21 relied on such representations, but for which he would not have  
22 signed said settlement agreement.

23 ELEVENTH AFFIRMATIVE DEFENSE

24 (Conflict of Interest)

25 87. Further answering said first amended complaint, and as a  
26 tenth, separate and affirmative defense thereto, these answering  
27 defendants repeat, reallege and incorporate by reference herein  
28 each and every allegation contained in paragraphs 1 through 16, 18

1 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
2 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
3 through 75, 81 through 86, and 88, herein and allege as follows:

4 Plaintiff is barred from bringing this action against these  
5 defendants, and each of them, because defendant Armstrong's former  
6 attorney, Michael Flynn, in conjunction with settling Armstrong's  
7 case against Scientology-related entities, also settled 30 other  
8 cases, including cases of his own against Scientology-related  
9 defendants without procuring outside counsel for defendant.

10 TWELFTH AFFIRMATIVE DEFENSE

11 (Duress and Undue Influence)

12 88. Further answering said first amended complaint, and as a  
13 Twelfth, separate and affirmative defense thereto, these answering  
14 defendants repeat, reallege and incorporate by reference herein  
15 each and every allegation contained in paragraphs 1 through 16, 18  
16 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,  
17 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72  
18 through 75, 81 through 87, herein and allege as follows:

19 Plaintiff is barred from bringing this action against these  
20 defendants, and each of them, because plaintiff and other  
21 Scientology-related organizations, entities and individuals had  
22 implemented Fair Game Policy stratagems on defendant Armstrong's  
23 attorney, Michael J. Flynn and upon other anti-Scientology  
24 litigants and would continue such conduct against all such persons  
25 unless all said anti-Scientology litigants, including Flynn,  
26 signed settlement agreements substantially similar to that signed  
27 by defendant Armstrong.

28 Further, in early December 1986, attorney Flynn and other

1 anti-Scientology litigants, postured Armstrong as a deal breaker,  
2 by stating that their desires to settle would be ruined unless  
3 defendant Armstrong agreed to settle and led him to believe if he  
4 did not sign the agreement, they would not cooperate in such event  
5 by acting as Armstrong's witnesses and zealous advocate on the  
6 trial of his cross-complaint against Scientology set to commence  
7 shortly thereafter in Armstrong I.

8 THIRTEENTH AFFIRMATIVE DEFENSE

9 (Laches)

10 89. Further answering said first amended complaint, and as a  
11 thirteenth, separate and affirmative defense thereto, these  
12 answering defendants allege as follows:

13 Plaintiff is barred from bringing this action against these  
14 defendants, and each of them, on the grounds of laches.

15 FOURTEENTH AFFIRMATIVE DEFENSE

16 (Impossibility)

17 90. Further answering said first amended complaint, and as a  
18 fourteenth, separate and affirmative defense thereto, these  
19 answering defendants allege as follows:

20 Plaintiff is barred from bringing this action against these  
21 defendants, and each of them, on the grounds of impossibility.

22 FIFTEENTH AFFIRMATIVE DEFENSE

23 (Frustration of Contractual Purpose)

24 91. Further answering said first amended complaint, and as a  
25 fifteenth, separate and affirmative defense thereto, these  
26 answering defendants allege as follows:

27 Plaintiff is barred from bringing this action against these  
28 defendants, and each of them, on the grounds of frustrating

1 defendants', and each of their, ability to perform the terms of  
2 the settlement agreement.

3  
4 SIXTEENTH AFFIRMATIVE DEFENSE

5 (Unfair and Unreasonable Contract)

6 92. Further answering said first amended complaint, and as a  
7 sixteenth separate and affirmative defense thereto, these  
8 answering defendants allege as follows:

9 Plaintiff is barred from bringing this action against these  
10 defendants, and each of them, on the grounds that the settlement  
11 agreement is unreasonable and unfair as to defendant Armstrong.

12 SEVENTEENTH AFFIRMATIVE DEFENSE

13 (Lack of Mutuality)

14 93. Further answering said first amended complaint, and as a  
15 seventeenth, separate and affirmative defense thereto, these  
16 answering defendants allege as follows:

17 Plaintiff is barred from bringing this action against these  
18 defendants, and each of them, on the grounds that the settlement  
19 agreement, as interpreted by plaintiff, lacks in reciprocity and  
20 mutuality.

21 EIGHTEENTH AFFIRMATIVE DEFENSE

22 (Ambiguity)

23 94. Further answering said first amended complaint, and as a  
24 eighteenth, separate and affirmative defense thereto, these  
25 answering defendants allege as follows:

26 Plaintiff is barred from bringing this action against these  
27 defendants, and each of them, on the grounds that the settlement  
28 agreement is ambiguous and incapable of enforcement.

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NINETEENTH AFFIRMATIVE DEFENSE

(Lack of Adequate Consideration)

95. Further answering said first amended complaint, and as a nineteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is not supported by adequate consideration.

TWENTIETH AFFIRMATIVE DEFENSE

(Unconscionability)

96. Further answering said first amended complaint, and as a twentieth separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is unconscionable.

TWENTY-FIRST AFFIRMATIVE DEFENSE

(Adhesion)

97. Further answering said first amended complaint, and as a twenty-first, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is a contract of adhesion.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(Hardship)

98. Further answering said first amended complaint, and as a twenty-second, separate and affirmative defense thereto, these

1 answering defendants allege as follows:

2 Plaintiff is barred from bringing this action against these  
3 defendants, and each of them, on the grounds that the settlement  
4 agreement would work an unfair hardship on defendants, and each of  
5 them.

6 TWENTY-THIRD AFFIRMATIVE DEFENSE

7 (Offset)

8 99. Further answering said first amended complaint, and as a  
9 twenty-third, separate and affirmative defense thereto, these  
10 answering defendants allege as follows:

11 Any damages that plaintiff has suffered in consequence of the  
12 alleged conduct is exceeded by the damages suffered by defendants,  
13 and each of them, in consequence of the misconduct of plaintiff,  
14 and plaintiff's agents' acts of Fair Game and therefore plaintiff  
15 should take nothing.

16 TWENTY-FOURTH AFFIRMATIVE DEFENSE

17 (Liquidated Damages Act As Penalty)

18 100. Further answering said first amended complaint, and as a  
19 twenty-fourth, separate and affirmative defense thereto, these  
20 answering defendants allege as follows:

21 Plaintiff is barred from bringing this action against these  
22 defendants, and each of them, on the grounds that the settlement  
23 agreement's provision of liquidated damages is not an  
24 approximation of damage, but is intended to act and does act as a  
25 penalty.

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1 TWENTY-FIFTH AFFIRMATIVE DEFENSE

2 (First Amendment - Religion)

3 101. Further answering said first amended complaint, and as a  
4 twenty-fifth, separate and affirmative defense thereto, these  
5 answering defendants allege as follows:

6 Plaintiff is barred from bringing this action against these  
7 defendants, and each of them, on the grounds that the settlement  
8 agreement violates defendants', and each of them, right to freedom  
9 of religion guaranteed by the state and federal constitutions.

10 TWENTY-SIXTH AFFIRMATIVE DEFENSE

11 (First Amendment - Speech)

12 102. Further answering said first amended complaint, and as a  
13 twenty-sixth, separate and affirmative defense thereto, these  
14 answering defendants allege as follows:

15 Plaintiff is barred from bringing this action against these  
16 defendants, and each of them, on the grounds that the settlement  
17 agreement violates defendants', and each of them, right to freedom  
18 of speech guaranteed by the state and federal constitutions.

19 TWENTY-SEVENTH AFFIRMATIVE DEFENSE

20 (First Amendment - Press)

21 103. Further answering said first amended complaint, and as a  
22 twenty-seventh, separate and affirmative defense thereto, these  
23 answering defendants allege as follows:

24 Plaintiff is barred from bringing this action against these  
25 defendants, and each of them, on the grounds that the settlement  
26 agreement violates defendants', and each of them, right to freedom  
27 of press guaranteed by the state and federal constitutions.

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TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(First Amendment - Association)

104. Further answering said first amended complaint, and as a twenty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of association guaranteed by the state and federal constitutions.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(Privacy)

105. Further answering said first amended complaint, and as a twenty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants', and each of them, on the grounds that the settlement agreement violates defendants, and each of them, right of privacy guaranteed by the state and federal constitutions.

THIRTIETH AFFIRMATIVE DEFENSE

(Implied Covenant of Good Faith and Fair Dealing)

106. Further answering said first amended complaint, and as a thirtieth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the conduct of plaintiff and its agents violates the implied covenant of good faith and fair dealing.

///

1 THIRTY-FIRST AFFIRMATIVE DEFENSE

2 (Justification - Defense of Another, Interests  
3 of Third Persons, and the Public)

4 107. Further answering said first amended complaint, and as a  
5 thirty-first, separate and affirmative defense thereto, these  
6 answering defendants repeat, reallege and incorporate by reference  
7 herein each and every allegation contained in paragraphs 1 through  
8 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40  
9 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,  
10 68, 69, 72 through 75, 81 through 88, herein and allege as  
11 follows:

12 At all relevant times, the acts of these answering defendants  
13 were privileged and justified because they were done in the  
14 defense of others, the interests of third parties, the interests  
15 of justice, and the interests of the public.

16 THIRTY-SECOND AFFIRMATIVE DEFENSE

17 (Res Judicata)

18 108. Further answering said first amended complaint, and as a  
19 thirty-second, separate and affirmative defense thereto, these  
20 answering defendants allege as follows:

21 Plaintiff's complaint, and plaintiff's claims for equitable  
22 relief and for damages, are barred by the doctrine of res  
23 judicata.

24 THIRTY-THIRD AFFIRMATIVE DEFENSE

25 (Collateral Estoppel)

26 109. Further answering said first amended complaint, and as a  
27 thirty-second, separate and affirmative defense thereto, these  
28 answering defendants allege as follows:

1 Plaintiff's complaint, and plaintiff's claims for equitable  
2 relief and for damages, are barred by the doctrine of collateral  
3 estoppel.

4 THIRTY-FOURTH AFFIRMATIVE DEFENSE

5 (Failure to Mitigate Damages)

6 110. Further answering said first amended complaint, and as a  
7 thirty-fourth, separate and affirmative defense thereto, these  
8 answering defendants allege as follows:

9 Plaintiff, and/or its agent, and/or its counsel, failed to  
10 take proper and reasonable steps to avoid or mitigate the damages  
11 alleged in the amended complaint, and to the extent of such  
12 failure to mitigate or to avoid, damages allegedly incurred by  
13 plaintiff, if any, should be reduced accordingly.

14 THIRTY-FIFTH AFFIRMATIVE DEFENSE

15 (Action Barred By Equity and Civil Code Provisions)

16 111. Further answering said first amended complaint, and as a  
17 thirty-fifth, separate and affirmative defense thereto, these  
18 answering defendants repeat, reallege and incorporate by reference  
19 herein each and every allegation contained in paragraphs 1 through  
20 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40  
21 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,  
22 68, 69, 72 through 75, 81 through 88, herein and allege as  
23 follows:

24 Plaintiff is barred from judicial relief by the general  
25 principles of equity and the specific provisions of Part IV of the  
26 Civil Code, including but not limited to §§ 3512, 3517, 3519,  
27 3524, (without any admission of wrongdoing by defendants) and  
28 3533.

1 THIRTY-SIXTH AFFIRMATIVE DEFENSE

2 (Void As Against Public Policy)

3 112. Further answering said first amended complaint, and as a  
4 thirty-sixth, separate and affirmative defense thereto, these  
5 answering defendants repeat, reallege and incorporate by reference  
6 herein each and every allegation contained in paragraphs 1 through  
7 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40  
8 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,  
9 68, 69, 72 through 75, 81 through 88, herein and allege as  
10 follows:

11 Plaintiff is barred from judicial relief because the  
12 settlement agreement is void as against public policy.

13 THIRTY-SEVENTH AFFIRMATIVE DEFENSE

14 (The Settlement Agreement Cannot Be Specifically Enforced)

15 113. Further answering said first amended complaint, and as a  
16 thirty-seventh, separate and affirmative defense thereto, these  
17 answering defendants allege as follows:

18 Plaintiff is barred from judicial relief because the  
19 settlement agreement cannot be specifically enforced.

20 THIRTY-EIGHTH AFFIRMATIVE DEFENSE

21 (The Settlement Agreement Cannot Be Specifically Performed)

22 114. Further answering said first amended complaint, and as a  
23 thirty-eighth, separate and affirmative defense thereto, these  
24 answering defendants allege as follows:

25 Plaintiff is barred from judicial relief because the  
26 settlement agreement cannot be specifically performed.

27 ///

28 ///

1 THIRTY-NINTH AFFIRMATIVE DEFENSE

2 (Due Process)

3 115. Further answering said first amended complaint, and as a  
4 thirty-ninth, separate and affirmative defense thereto, these  
5 answering defendants allege as follows:

6 Plaintiff is barred from judicial relief because the  
7 settlement agreement deprives defendants, and each of them, other  
8 third parties and the public of due process of law as protected by  
9 the state constitution and by the Fifth and Fourteenth Amendments  
10 to the federal constitution.

11 FORTIETH AFFIRMATIVE DEFENSE

12 (Equal Protection)

13 116. Further answering said first amended complaint, and as a  
14 thirty-ninth, separate and affirmative defense thereto, these  
15 answering defendants allege as follows:

16 Plaintiff is barred from judicial relief because the  
17 settlement agreement deprives defendants, and each of them, other  
18 third parties and the public of equal protection of law as  
19 guaranteed by the state constitution and by the federal  
20 constitution.

21 FORTY-FIRST AFFIRMATIVE DEFENSE

22 (Right to Counsel)

23 117. Further answering said first amended complaint, and as a  
24 forty-first, separate and affirmative defense thereto, these  
25 answering defendants allege as follows:

26 Plaintiff is barred from judicial relief because the  
27 settlement agreement deprives defendants, and each of them, other  
28 third parties and the public of their right to counsel as

1 protected by the state constitution and by the Sixth Amendment to  
2 the federal constitution.

3 FORTY-SECOND AFFIRMATIVE DEFENSE

4 (Public Domain)

5 118. Further answering said first amended complaint, and as a  
6 forty-second, separate and affirmative defense thereto, these  
7 answering defendants allege as follows:

8 Plaintiff is barred from judicial relief because the  
9 information that defendants, and each of them, are accused of  
10 disclosing is in the public domain.

11 FORTY-THIRD AFFIRMATIVE DEFENSE

12 (Privilege)

13 119. Further answering said first amended complaint, and as a  
14 forty-third, separate and affirmative defense thereto, these  
15 answering defendants allege as follows:

16 Plaintiff is barred from judicial relief because the acts  
17 that defendants, and each of them, are accused of having committed  
18 are privileged.

19 DEMAND FOR JURY TRIAL

20 Defendants, and each of them, hereby demand this case be  
21 tried by a jury.

22 WHEREFORE, Defendant Armstrong prays for relief as follows:

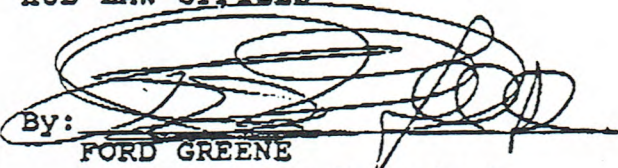
- 23 1. That CSI takes nothing by its complaint;  
24 2. That Armstrong recover his costs of suit herein;  
25 3. That Armstrong recover his attorney's fees and costs of  
26 defending the suit herein;  
27 4. That the Court award such further relief as it may deem  
28 proper.

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Respectfully submitted,

DATED: October 7, 1992

HUB LAW OFFICES



By:  
FORD GREENE  
Attorney for Defendant

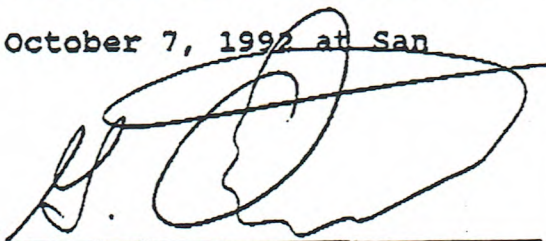


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VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on October 7, 1992 at San Anselmo, California.

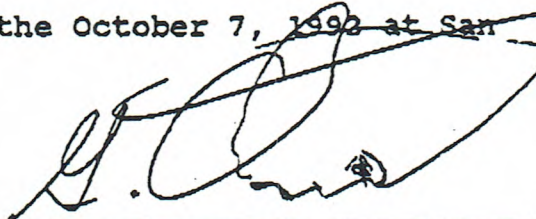
By:   
GERALD ARMSTRONG

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VERIFICATION

I, the undersigned, am an officer of defendant The Gerald Armstrong Corporation in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the October 7, 1992 at San Anselmo, California.

By:   
GERALD ARMSTRONG

1 PROOF OF SERVICE

2 I am employed in the County of Marin, State of California. I  
3 am over the age of eighteen years and am not a party to the above  
4 entitled action. My business address is 711 Sir Francis Drake  
5 Boulevard, San Anselmo, California. I served the following

6 documents: AMENDED ANSWER OF GERALD ARMSTRONG AND THE GERALD  
7 ARMSTRONG CORPORATION TO AMENDED COMPLAINT

8 on the following person(s) on the date set forth below, by placing  
9 a true copy thereof enclosed in a sealed envelope with postage  
10 thereon fully prepaid to be placed in the United States Mail at  
11 San Anselmo, California:

12 Andrew Wilson, Esquire  
13 WILSON, RYAN & CAMPILONGO  
14 235 Montgomery Street, Suite 450  
15 San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.  
Bowles & Moxon  
6255 Sunset Boulevard  
Suite 2000  
Los Angeles, California 90028

16 Graham E. Berry, Esquire  
17 LEWIS, D'AMATO, BRISBOIS & BISGAARD  
18 221 North Figueroa Street. Suite 1200  
19 Los Angeles, California 90012

20 PAUL MORANTZ, ESQ.  
21 P.O. Box 511  
22 Pacific Palisades, CA 90272

23 [x] (By Mail) I caused such envelope with postage thereon  
24 fully prepaid to be placed in the United  
25 States Mail at San Anselmo, California.

26 [x] (State) I declare under penalty of perjury under the  
laws of the State of California that the above  
is true and correct.

DATED: October 7, 1992



## LAW &amp; MOTION, CIVIL CALENDAR

## RULINGS

TIME: 9:00

DATE: 1/27/95

DEPT: I

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

THE MOTION OF PLAINTIFF FOR SUMMARY ADJUDICATION OF ISSUES IS GRANTED AS TO THE FOURTH AND SIXTH CAUSES OF ACTION AND DENIED AS TO THE ELEVENTH CAUSE OF ACTION.

AS TO ALL CAUSES OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE AS TO WHETHER THE LIQUIDATED DAMAGES PROVISION IS INVALID. DEFENDANT RELIES ON THE LAW AS IT EXISTED PRIOR TO JULY 1, 1978. (SEE UNITED SAV. & LOAN ASSN. V. REEDER DEV. CORP. (1976) 57 CAL.APP.3D 282 AND EARLIER VERSIONS OF CIV. CODE, §§ 1670 AND 1671.) THE LAW NOW PRESUMES THAT LIQUIDATED DAMAGES PROVISIONS ARE "VALID UNLESS THE PARTY SEEKING TO INVALIDATE THE PROVISION ESTABLISHES THAT THE PROVISION WAS UNREASONABLE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THE CONTRACT WAS MADE." (CIV. CODE, § 1671, SUBD. (b).) DEFENDANT'S EVIDENCE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT REGARD. ALTHOUGH DEFENDANT STATES IN HIS DECLARATION THAT HE WAS NOT INVOLVED IN NEGOTIATING THE PROVISION (SEE D'S EX. 1, ¶12), HE GOES ON TO STATE THAT HE DISCUSSED THE PROVISION WITH TWO ATTORNEYS BEFORE SIGNING THE AGREEMENT. (ID., ¶¶12-13.) THUS, HE CLEARLY KNEW OF THE PROVISION YET CHOSE TO SIGN IT. HE HAS NOT SHOWN THAT HE HAD UNEQUAL BARGAINING POWER OR THAT HE MADE ANY EFFORTS TO BARGAIN OR NEGOTIATE WITH RESPECT TO THE PROVISION. (SEE H. S. PERLIN CO. V. MORSE SIGNAL DEVICES (1989) 209 CAL.APP.3D 1289.) DEFENDANT NEXT STATES THAT PLAINTIFF'S ACTUAL DAMAGES ARE ZERO. (D'S EX. 1, ¶12.) HOWEVER, "THE AMOUNT OF DAMAGES ACTUALLY SUFFERED HAS NO BEARING ON THE VALIDITY OF THE LIQUIDATED DAMAGES PROVISION..." (SEE LAW REVISION COMMISSION COMMENT TO § 1671.) FINALLY, DEFENDANT POINTS TO THE FACT THAT OTHER SETTLEMENT AGREEMENTS CONTAIN A \$10,000 LIQUIDATED DAMAGES PROVISION. (SEE D'S EXS. 2C AND 2D.) THIS ALONE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT DEFENDANT HAS NOT SHOWN THAT CIRCUMSTANCES DID NOT CHANGE BETWEEN 12/86 AND 4/87 AND THAT THOSE SETTLING PARTIES STAND IN THE SAME OR SIMILAR POSITION TO DEFENDANT (I.E., THAT THEY WERE AS HIGH UP IN THE ORGANIZATION AND COULD CAUSE AS MUCH DAMAGE BY SPEAKING OUT AGAINST PLAINTIFF OR THAT THEY HAVE/HAD ACCESS TO AS MUCH INFORMATION AS DEFENDANT).

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SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
LAW & MOTION, CIVIL CALENDAR  
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

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DEFENDANT ALSO HAS NOT RAISED A TRIABLE ISSUE REGARDING DURESS. DEFENDANT'S OWN DECLARATION SHOWS HE DID NOT EXECUTE THE AGREEMENT UNDER DURESS IN THAT IT SHOWS THAT HE CAREFULLY WEIGHED HIS OPTIONS. (SEE D'S EX. 1, ¶10.) IT CERTAINLY DOES NOT SHOW THAT HE DID SOMETHING AGAINST HIS WILL OR HAD "NO REASONABLE ALTERNATIVE TO SUCCUMBING." (SEE IN RE MARRIAGE OF BALTINS (1989) 212 CAL.APP.3D 66, 84.) IN ADDITION, DEFENDANT IS RELYING ON THE CONDUCT OF A THIRD PARTY (FLYNN) TO ESTABLISH DURESS, YET HE SETS FORTH NO FACT OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT PLAINTIFF HAD REASON TO KNOW OF THE DURESS. (SEE LEEPER V. BELTRAMI (1959) 53 CAL.2D 195, 206.)

AS TO THE FOURTH CAUSE OF ACTION, CONTRARY TO DEFENDANT'S ARGUMENT, THE SUBJECT DECLARATION DOES MORE THAN MERELY AUTHENTICATE DOCUMENTS. (SEE P'S EX. 1(A)(11), ¶¶1-3.) THE COURT FINDS THAT THE DECLARATION CONSTITUTES A DISCLOSURE OF DEFENDANT'S "EXPERIENCES WITH" PLAINTIFF OR "KNOWLEDGE OR INFORMATION" CONCERNING PLAINTIFF AND HUBBARD. (SEE P'S EX. 1B, ¶7D.) DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING OBSTRUCTION OF JUSTICE/ SUPPRESSION OF EVIDENCE. THE SETTLEMENT AGREEMENT EXPRESSLY DOES NOT PROHIBIT DEFENDANT FROM DISCLOSING INFORMATION PURSUANT TO SUBPOENA OR OTHER LEGAL PROCESS. (SEE P'S EX. 1B, ¶7H; CONTRAST WITH PEN. CODE, §§ 136.1 AND 138, WILLIAMSON V. SUPERIOR COURT (1978) 21 CAL.3D 829, PEOPLE V. PIC'L (1982) 31 CAL.3D 731.) NOR IS PLAINTIFF IN THIS CAUSE OF ACTION SEEKING TO PROHIBIT DISCLOSURE TO GOVERNMENT AGENCIES CONDUCTING INVESTIGATIONS PURSUANT TO STATUTORY OBLIGATIONS. (CONTRAST WITH MARY R. V. B. & R. CORP. (1983) 149 CAL.APP.3D 308 AND ALLEN V. JORDANOS' INC. (1975) 52 CAL.APP.3D 160.) EVEN IF A PORTION OF THE AGREEMENT COULD BE CONSTRUED TO SO PROHIBIT (SEE, E.G., ¶10), PLAINTIFF IS NOT RELYING ON THAT SECTION. NOR HAS DEFENDANT SHOWN THAT THE PROVISION IS SO SUBSTANTIAL AS TO RENDER THE ENTIRE CONTRACT ILLEGAL. (CONTRAST WITH ALLEN, SUPRA, 52 CAL.APP.3D AT 166.)

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
LAW & MOTION, CIVIL CALENDAR  
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

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AS TO THE SIXTH CAUSE OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING THE CNN INTERVIEW. DEFENDANT ADMITTED IN HIS DEPOSITION THAT HIS CONVERSATION WITH CNN INVOLVED KNOWLEDGE HE HAD GAINED BECAUSE OF HIS YEARS OF EXPERIENCE WITH THE ORGANIZATION (P'S EX. 1A AT 344:1-4), THUS REFUTING HIS ARGUMENTS THAT HIS STATEMENT WAS BASED ON KNOWLEDGE ACQUIRED AFTER THE SETTLEMENT AGREEMENT AND THAT HIS INTERVIEW WAS DIRECTLY RELATED TO THE INSTANT LITIGATION. IN ADDITION, PLAINTIFF SET FORTH NO FACTS OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT HE COULD DISCLOSE INFORMATION ACQUIRED AFTER EXECUTION OF THE SETTLEMENT AGREEMENT OR THAT HE COULD MAKE SUCH STATEMENTS IN THE CONTEXT OF FUTURE LITIGATION. FINALLY, THERE IS NOTHING IN THE STATEMENT WHICH TIES IT TO EITHER OF THE ARGUMENTS RAISED BY DEFENDANT. DEFENDANT ALSO FAILS TO RAISE A TRIABLE ISSUE REGARDING THE AMERICAN LAWYER INTERVIEW. DEFENDANT'S CLAIM THAT HE ONLY DISCUSSED THE INSTANT LITIGATION IS REFUTED BY HIS OWN ADMISSION THAT HE DISCUSSED "THE PLIGHT OF THE ORGANIZATION [AND] WHAT IT WOULD TAKE TO END ITS LEGAL TROUBLES." (D'S EX. 1D AT 352:15-19.) DEFENDANT'S CLAIM THAT HIS DISCUSSION INVOLVED "NOTHING MORE THAN WHAT JUDGE BRECKENRIDGE STATED IN HIS DECISION IN ARMSTRONG I" IS REFUTED BY HIS ADMISSION THAT HE DID NOT RECALL DISCUSSING THE BRECKENRIDGE OPINION WITH THE REPORTER. (D'S EX. 1D AT 358:20-23.) FURTHER, DEFENDANT POINTS TO NOTHING IN JUDGE BRECKENRIDGE'S OPINION WHICH COINCIDES TO THOSE MATTERS DISCUSSED BY DEFENDANT.

AS TO THE ELEVENTH CAUSE OF ACTION, PLAINTIFF HAS NOT SHOWN THAT DEFENDANT VIOLATED PARAGRAPH 7D OF THE SETTLEMENT AGREEMENT. THE DECLARATION RELIED ON BY PLAINTIFF (P'S EX. 1(A)(8)) DOES NOT DISCLOSE DEFENDANTS "EXPERIENCES WITH THE CHURCH OF SCIENTOLOGY [OR] ANY KNOWLEDGE OR INFORMATION HE MAY HAVE CONCERNING THE CHURCH OF SCIENTOLOGY..."

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
LAW & MOTION, CIVIL CALENDAR  
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

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DEFENDANT ARMSTRONG FILED A SUPPLEMENTAL DECLARATION AND EVIDENCE SIX DAYS LATE. THE COURT DID NOT PERMIT SAME. THE PLAINTIFF'S MOTION TO STRIKE THE SUPPLEMENTAL PAPERS FROM THE FILE IS GRANTED. PLAINTIFF'S REQUEST FOR SANCTIONS IS GRANTED. DEFENDANTS KNEW THE LATENESS OF THE FILING, SOME SIX DAYS. THERE WAS AMPLE TIME TO SEEK THE COURT'S PERMISSION FOR A LATE FILING. PERMISSION WAS NOT SOUGHT. SANCTIONS REQUESTED BY PLAINTIFF PURSUANT TO SECTION 437C(i) ARE GRANTED IN THE AMOUNT OF \$700, AS THE COURT FINDS THIS SIX-DAYS LATE FILING TO BE IN BAD FAITH.





NOT TO BE PUBLISHED

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA  
SECOND APPELLATE DISTRICT  
DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, )  
Plaintiff and Respondent, )  
v. )  
GERALD ARMSTRONG, )  
Defendant and Appellant. )

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No. B069450  
(Super.Ct.No. BC052395)

COURT OF APPEAL - SECOND DIST.

FILED

MAY 16 1994

JOSEPH W. LAKE Clerk  
Deputy Clerk

APPEAL from an order of the Superior Court of  
Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and  
Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan &  
Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard,  
Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee  
Hertzberg for Plaintiff and Respondent.

Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

#### FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.

## The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number

of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.<sup>1/</sup>

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1. "G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. [¶] H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed. [¶] . . . 10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.

## The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

## The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's

argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶] Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons

referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶]

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

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## DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3

Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See In re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; ITT Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; Snepp v. United States (1980) 444 U.S. 507, 509, fn. 3 [book by CIA

employee subject to prepublication clearance by terms of his employment contract].)

The exceptions in the trial court's injunction assured that the injunction would not serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpoenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.

DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.\*

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\*Assigned by the Chairperson of the Judicial Council.

OFFICE OF THE CLERK  
COURT OF APPEALS  
STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT  
JOSEPH A. LANE, CLERK

DIVISION: 4 DATE: 05/16/94

Bowles & Moxon  
Laurie J. Bartilson  
6255 Sunset Blvd  
Suite 2000  
Hollywood, CA. 90028

RE: Church of Scientology International  
vs.  
Armstrong, Gerald  
2 Civil B069450  
Los Angeles NO. BC052395



SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable DAVID A. HOROWITZ, Judge  
2 C. AGUIRRE, Deputy Sheriff, C.S.L.

S. ROBLES  
LINDA NISHIMOTO #9147

, Deputy Clerk  
, Reporter  
, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for  
Plaintiff

MICHAEL LEE HERTZBERG (x)  
LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for  
Defendant

FORD GREENE (x)

NO LEGAL FILE

NATURE OF PROCEEDINGS:

MOTION BY CROSS-DEFENDANT, CHURCH OF SCIENTOLOGY INTERNATIONAL, FOR SUMMARY ADJUDICATION OF THE SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT;

Motion for Summary Adjudication of a Cause of Action (SACA) GRANTED. No triable issues of material facts. The 2nd and 3rd Causes of Action have no merit. CCP 437c(f)(1).

3rd Cause of Action - Breach of Contract.

Undisputed Facts: #1-9, essentially Undisputed, Cross-Defendant has accurately described the provisions of the Agreement; #10, not sufficiently disputed, Undisputed; #11, Undisputed; #12, not sufficiently disputed, Undisputed; #13, Undisputed; #14, Undisputed; #15, not sufficiently disputed, Undisputed; #16, Undisputed.

The Agreement terms are clear and unambiguous. Cross-Complainant understood the terms and signed it. The duties and obligations of the Agreement are clearly stated. "Mutuality" and "reciprocal" duties cannot be read into the unambiguous terms of the Agreement.

There are no provisions in the Agreement prohibiting the Cross-Defendant from referring to Cross-Complainant with the press or in legal pleadings or declarations. Cross-Complainant's beliefs as to what the Agreement should have said, it's validity, or what his attorney said or did to him are not relevant. The Agreement itself acknowledges that no agreements or understandings have been made among the parties aside from those set forth in the Agreement.

2nd Cause of Action - Abuse of Process.

Undisputed Facts: #17, not sufficiently disputed, Undisputed; #18, not sufficiently disputed, Undisputed; #19, Disputed; #20, Disputed, not material; #21, not sufficiently disputed, Undisputed; #22, Undisputed; #23, Disputed as to time discovered by Church counsel; #24,

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
2a	C. AGUIRRE	, Deputy Sheriff	LINDA NISHIMOTO #9147	, Reporter
		, C.S.L.		, E/R Monitor

BC052395 (Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC	Counsel for Plaintiff	MICHAEL LEE HERTZBERG (x)
		LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL	Counsel for Defendant	FORD GREENE (x)
-------------------------	-----------------------	-----------------

NO LEGAL FILE

NATURE OF PROCEEDINGS:

disputed as to motivation, otherwise Undisputed; #25, not sufficiently disputed, Undisputed; #26, Undisputed; #27, disputed as to word "further", otherwise Undisputed; #28, Disputed, but not material; #29, Undisputed; #30, Undisputed that Marin Court granted a motion to Transfer; #31, Undisputed, except for term "irreparably harmed; #32, Undisputed; #33, Undisputed; #34, not sufficiently disputed, Undisputed; #35, Undisputed.

A One Year Statute of Limitations applies to an Abuse of Process cause of action. Code of Civil Procedure Section 340. Conduct allegedly occurring prior to July 22, 1991 is precluded by the one year Statute. Conduct alleged in paragraphs 13-24, 26 and 27, 29 and 30, 33-38, 40, 43-48 and para 57 are alleged to have occurred before 7/22/91 and are time barred.

The alleged conduct constituting "abuse of process" contained in paragraphs 49, 51, 52 and 55 does not constitute such abuse of process. That is, there are no allegations concerning the abuse of court process which constitutes a cause of action.

Communications with "some relation" to judicial proceedings have been absolutely immune from tort liability by the privilege codified as section 47(b). Albertson v. Raboff.

The alleged conduct of bringing suit, contained in paragraphs 53 and 54, is not sufficient to state a cause of action for "abuse of process. The filing or maintaining of a lawsuit cannot support a claims for abuse of process. The filing of a suit to enforce the Settlement Agreement cannot support claims for abuse of process.

The conduct alleged in para 50, ie, the filing of a complaint and the use of a declaration speaking of Cross-Complainant, does not constitute abuse of process and is privileged.

Paragraph 52 alleged conduct relating to declarations filed in a case in which the Cross-Complainant is not a party. Such conduct does not constitute abuse of process and is privileged.



## SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable DAVID A. HOROWITZ , Judge  
2b C. AGUIRRE , Deputy Sheriff  
, C.S.L.

S. ROBLES , Deputy Clerk  
LINDA NISHIMOTO #9147 , Reporter  
, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for MICHAEL LEE HERTZBERG (x)  
Plaintiff LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for FORD GREENE (x)  
Defendant

NO LEGAL FILE

## NATURE OF PROCEEDINGS:

MOTION FOR SUMMARY ADJUDICATION OF SECOND AND THIRD CAUSES OF ACTION OF  
THE CROSS-COMPLAINT OF GERALD ARMSTRONG, GRANTED.

David A. Horowitz

DAVID A. HOROWITZ, JUDGE

This is the order called for by Code of Civil Procedure Section 437c(f)  
and Code of Civil Procedure Section 437c(g). No other written order is  
required.

A copy of this order is sent this date via U.S. Mail addressed as  
follows:

MICHAEL LEE HERTZBERG  
ATTORNEY AT LAW  
740 BROADWAY 5TH FL  
NEW YORK NY 10003

LAURIE J. BARTILSON  
BOWLES & MOXON  
6255 SUNSET BLVD STE 2000  
HOLLYWOOD CA 90028

FORD GREENE  
HUB LAW OFFICES  
711 SIR FRANCIS DRAKE BLVD  
SAN ANSELMO CA 94960



Statute ~~book~~  
Today

1 Barry Van Sickle  
2 Laurence P. Nokes  
3 Shelley M. Liberto  
4 CUMMINS & WHITE  
5 3737 Birch Street, Fourth Floor  
6 Newport Beach, California 92660  
7 Telephone: (714) 852-1800

**FILED**  
3:30 PM  
APR - 1 1988  
C. F. U. S. DISTRICT CO.  
CENTRAL DISTRICT OF CALIF.  
SANTA ANA OFFICE

8 Attorneys for Plaintiffs  
9 VICKI J. AZNARAN and RICHARD N. AZNARAN

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT, STATE OF CALIFORNIA

12 VICKI J. AZNARAN and RICHARD N.  
13 AZNARAN,

14 Plaintiffs,

15 vs.

16 CHURCH OF SCIENTOLOGY OF )  
17 CALIFORNIA, INC.; CHURCH OF )  
18 SPIRITUAL TECHNOLOGY, INC.; )  
19 SCIENTOLOGY MISSIONS INTERNATIONAL, )  
20 INC.; RELIGIOUS TECHNOLOGY CENTER, )  
21 INC.; AUTHOR SERVICES, INC.; )  
22 CHURCH OF SCIENTOLOGY INTERNATION- )  
23 AL, INC.; CHURCH OF SCIENTOLOGY OF )  
24 LOS ANGELES, INC.; MISSION OFFICE )  
25 WORLDWIDE; AUTHOR FAMILY TRUST; )  
26 THE ESTATE OF L. RON HUBBARD; )  
27 DAVID MISCAVIGE; and NORMAN )  
28 STARKEY )

29 Defendants.

CASE NO. CV 88-1786-LUX  
(EX)

COMPLAINT FOR FALSE  
IMPRISONMENT; INTENTIONAL  
INFLICTION OF EMOTIONAL  
DISTRESS; NEGLIGENT IN-  
FLICTION OF EMOTIONAL  
DISTRESS; LOSS OF CONSOR-  
TIUM; CONSPIRACY; BREACH  
OF CONTRACT; RESTITUTION;  
FRAUD; INVASION OF  
PRIVACY; BREACH OF  
STATUTORY DUTY TO PAY  
MINIMUM WAGES AND OVER-  
TIME [Cal. Lab. C. §1194]  
AND CONSTRUCTIVE FRAUD

30 COME NOW Plaintiffs VICKI J. and RICHARD N. AZNARAN,  
31 and allege as follows:

32 JURISDICTION AND VENUE

33 1. Jurisdiction for all of Plaintiffs' claims is  
34 proper under 28 USC §1332 because complete diversity exists  
35 between all Plaintiffs and all Defendants, and the amount in  
36 controversy exceeds Ten Thousand Dollars (\$10,000.00). Venue is

1 proper under 28 USC §§1391(b) and 1392 because all of Plaintiffs'  
2 claims arose in this District and one or more of the Defendants  
3 resides in this District.

4 COMMON ALLEGATIONS

5 2. Plaintiffs VICKI J. AZNARAN and RICHARD N. AZNARAN  
6 (hereinafter "Plaintiffs"), are individuals domiciled in the  
7 State of Texas, County of Dallas.

8 3. Plaintiffs are informed and believe and thereon  
9 allege that Defendants CHURCH OF SCIENTOLOGY OF CALIFORNIA, INC.,  
10 CHURCH OF SPIRITUAL TECHNOLOGY, INC., SCIENTOLOGY MISSIONS  
11 INTERNATIONAL, INC., RELIGIOUS TECHNOLOGY CENTER, INC., AUTHOR  
12 SERVICES, INC., AND CHURCH OR SCIENTOLOGY INTERNATIONAL, INC. and  
13 CHURCH OF SCIENTOLOGY OF LOS ANGELES, INC., are, and at all times  
14 herein mentioned were, California corporations authorized to do  
15 and doing business in the State of California.

16 4. Plaintiffs are informed and believe and thereon  
17 allege that Defendants AUTHOR FAMILY TRUST, MISSION OFFICE  
18 WORLDWIDE, and the ESTATE OF L. RON HUBBARD are entities that are  
19 residents of the State of California.

20 5. Plaintiffs are informed and believe and thereon  
21 allege that Defendants DAVID MISCAVIGE and NORMAN STARKEY are  
22 individuals domiciled in the State of California.

23 6. Corporate Defendants named in paragraph 2, above,  
24 are subject to a unity of control, and the separate alleged  
25 corporate structures were created as an attempt to avoid payment  
26 of taxes, and civil judgments. Due to the unity of personnel,  
27 commingling of assets, and commonality of business objectives,  
28 the attempt at separation of these corporations should be  
disregarded by the Court.





ORIGINAL FILED

JUL 18 1991

COUNTY CLERK

1 John J. Quinn  
QUINN, KULLY AND MORROW  
2 520 S. Grand Ave., 8th Floor  
Los Angeles, CA 90071  
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8 Attorney for Plaintiff  
RELIGIOUS TECHNOLOGY CENTER

9 Laurie J. Bartilson  
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12 (213) 661-4030

13 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY OF CALIFORNIA

BC032035

BC032035

16 SUPERIOR COURT FOR THE STATE OF CALIFORNIA  
17 COUNTY OF LOS ANGELES

19 RELIGIOUS TECHNOLOGY CENTER, )  
A California Non-Profit Religious )  
20 Corporation; CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
21 Non-Profit Religious Corporation; )  
and CHURCH OF SCIENTOLOGY OF )  
22 CALIFORNIA, a California )  
Non-Profit Religious Corporation, )  
23 Plaintiffs, )

NO.  
VERIFIED COMPLAINT FOR  
DAMAGES AND FOR  
TEMPORARY, PRELIMINARY  
AND PERMANENT  
INJUNCTIVE RELIEF FOR  
BREACH OF FIDUCIARY  
DUTY

24 vs. )  
25 JOSEPH A. YANNY, an individual; )  
26 JOSEPH A. YANNY, a professional Law )  
Corporation and DOES 1 THROUGH 25 )  
27 inclusive, )  
28 Defendants. )

1 Plaintiffs RELIGIOUS TECHNOLOGY CENTER, CHURCH OF  
2 SCIENTOLOGY INTERNATIONAL and CHURCH OF SCIENTOLOGY OF  
3 CALIFORNIA, for their Verified Complaint against defendants,  
4 JOSEPH A. YANNY and JOSEPH A. YANNY, A PROFESSIONAL LAW  
5 CORPORATION, allege as follows:

6 1. This action arises from direct, overt, and intentional  
7 breaches by defendants of the perpetual duties of loyalty and  
8 confidentiality which a member of the Bar of the State of  
9 California owes as fiduciary obligations to his former clients.  
10 Since entry of judgment in Religious Technology Center, et al.  
11 v. Joseph A. Yanny, et al., Los Angeles Superior Court Case  
12 No. C 690 211, on February 28, 1991, defendants have flagrantly  
13 violated those fiduciary duties by openly assuming  
14 representation, as counsel of record and otherwise, of clients  
15 in legal matters in a manner that directly contravenes  
16 plaintiffs' statutory rights. By this action, plaintiffs seek  
17 to enjoin their former counsel from committing further  
18 breaches of his ongoing fiduciary duties and to obtain damages  
19 for those breaches which he has committed, as is further alleged  
20 with particularity herein.

21 THE PARTIES

22 2. Plaintiff RELIGIOUS TECHNOLOGY CENTER ("RTC") is, and  
23 at all relevant times was, a not-for-profit religious  
24 corporation organized and existing under the laws of the State  
25 of California with its principal office in Los Angeles,  
26 California.

27 3. Plaintiff CHURCH OF SCIENTOLOGY INTERNATIONAL ("CSI")  
28 is, and at all relevant times was, a California not-for-profit



1 religious corporation organized and existing under the laws of  
2 the State of California with its principal office in Los  
3 Angeles, California.

4 4. Plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA ("CSC")  
5 is, and at all relevant times was, a California not-for-profit  
6 religious corporation organized and existing under the laws  
7 of the State of California with its principal office in Los  
8 Angeles, California.

9 5. Defendant JOSEPH A. YANNY is, and at all relevant  
10 times was, an attorney licensed to practice law in the State of  
11 California. Yanny is a resident of Hermosa Beach, California.

12 6. Defendant JOSEPH A. YANNY, A PROFESSIONAL LAW  
13 CORPORATION is, and at all relevant times was, a professional  
14 corporation organized and existing under the laws of the State  
15 of California, with its principal office in Los Angeles,  
16 California. Defendants JOSEPH A. YANNY and JOSEPH A. YANNY, A  
17 PROFESSIONAL LAW CORPORATION, shall hereinafter be referred to  
18 collectively as "Yanny."

19 7. Plaintiffs are ignorant of the names and capacities of  
20 the defendants identified as DOES 1 through 25, inclusive, and  
21 thus brings suit against those defendants by those fictitious  
22 names. Plaintiffs will seek leave of Court to amend this  
23 Complaint to include those defendants by their true names upon  
24 the ascertainment of their true names and capacities, and their  
25 responsibility for the conduct alleged herein.

26 DEFENDANTS' HISTORY AS PLAINTIFFS' COUNSEL

27 8. Yanny formerly represented and appeared as counsel of  
28 record for the plaintiffs in a number of litigation matters,

1 including, Religious Technology Center, et al. v. Scott,  
2 et al. and Religious Technology Center, et al. v.  
3 Wollersheim, et al., (United States District Court for the  
4 Central District of California, Civil Action Nos. 85-711 and  
5 85-7197 JMI(Bx)) (hereinafter "RTC v. Scott"); Church of  
6 Scientology International, et al. v. The Elmira Mission of  
7 the Church of Scientology, et al., (United States District  
8 Court for the Western District of New York, Civil Action No.  
9 85-0412(T), and United States Court of Appeals for the Second  
10 Circuit No., 85-7693); Church of Scientology of California  
11 v. David Jordan, et al., Superior Court of the State of  
12 California for the County of Los Angeles, No. C 538 049; and  
13 Clay Eberle, et al. v. Church of Scientology of  
14 California, Superior Court of the State of California for the  
15 County of Los Angeles, No. NCC 16648G.

16 9. Yanny represented RTC, CSI and CSC, as their attorney,  
17 extensively often approaching a full-time basis, for  
18 approximately four years, between 1983 and 1987.

19 Indeed, Yanny has testified under oath to the extensive and  
20 in-depth character of the responsibilities he assumed as legal  
21 counsel for plaintiffs, characterizing his various duties and  
22 responsibilities as follows:

23 (a) "[T]o control and oversee all of the litigation that  
24 involved Scientology any place in the world ..."

25 (b) "I also oversaw the administrative side, what they call  
26 the transactional side of their legal business where they enter  
27 agreements with franchises or mission holders, depending on  
28 where they were located;"

1 (c) "I oversaw prosecution of trademark applications all  
2 over the world, United States, foreign countries. I reviewed  
3 all of those things;

4 (d) "I was also to, if there were any flaps, as they were  
5 called, any problems that arose, I was usually broached on what  
6 the problem was, what was expected, and asked for solutions to  
7 those types of things ..."

8 10. Throughout his legal representation of plaintiffs,  
9 Yanny was regularly called upon by his clients to provide  
10 advice, counsel, assistance, and judgment as a lawyer with  
11 respect to litigation, transactional, and intellectual property  
12 matters irrespective of whether he actually appeared as counsel  
13 of record in such matters. As such, and throughout his tenure  
14 as plaintiff's lawyer, Yanny was privy to and called upon to  
15 provide, and did provide legal services to plaintiffs on  
16 essentially all of plaintiffs' legal matters for nearly four  
17 years. In exchange for the legal services so rendered, as set  
18 forth in this and in the preceding paragraph of this Complaint,  
19 Yanny was compensated at an hourly rate, ultimately in a  
20 cumulative amount in excess of \$2 million.

21 11. Upon entering into this attorney-client relationship  
22 with plaintiffs, Yanny assumed all of the fiduciary and ethical  
23 obligations that are component parts of any attorney-client  
24 relationship, including, without limitation, the duties of  
25 loyalty, diligence, fidelity, honesty, and confidentiality.  
26 Those obligations, by operation of statute, rule and common law,  
27 embrace the following fiduciary duties, which represent a  
28 selective, rather than all-inclusive list:

1 (a) to accept no employment adverse to plaintiffs'  
2 interests in matters substantially related to his  
3 representation of plaintiffs, either during or after the period  
4 of the parties' actual attorney-client relationship; and

5 (b) to keep all communications and information provided by  
6 plaintiffs or by plaintiffs' agents and employees in the cause  
7 of the representation inviolate and confidential, both during  
8 and after the period of the parties' actual attorney-client  
9 relationship.

10 12. During the course of Yanny's legal representation of  
11 plaintiffs, and in reliance upon the fiduciary obligations of  
12 fidelity, loyalty, and confidentiality inherent in the  
13 attorney-client relationship, plaintiffs divulged  
14 extensive strategic, confidential, and proprietary information  
15 to Yanny in the course of seeking and receiving legal advice  
16 from Yanny. Information so divulged included, but was not  
17 limited to, offensive and defensive legal strategies and  
18 approaches to various and recurring legal claims; non-public,  
19 financial information; confidential religious and scriptural  
20 information, and various other confidential and proprietary  
21 information that plaintiffs divulged to Yanny so that he could  
22 perform competently as plaintiffs' legal counsel in the many  
23 legal areas for which he had responsibility.

24 13. Yanny represented RTC, CSI, and CSC in several  
25 lawsuits brought by former Scientologists in which those persons  
26 sought recovery from plaintiffs or some of them upon theories of  
27 fraud and intentional infliction of emotional distress. Yanny  
28 was: (a) closely involved in the formulation and refinement of

1 legal strategies employed by plaintiffs to defendant against  
2 such baseless claims; and b) routinely involved in, and called  
3 upon to develop solutions for various legal issues, at  
4 periodical attorney-client conferences in which counsel  
5 representing Scientology churches discussed pending litigation,  
6 legal strategies and the strengths and potential weaknesses of  
7 the Scientology position in the various matters.

8 14. The attorney-client relationship between plaintiffs  
9 and Yanny was terminated in or about December, 1987, although  
10 by his failure to execute the appropriate Judicial Council  
11 forms, Yanny remained counsel of record for CSC in two cases  
12 thereafter.

13 15. Since on or about June 28, 1991, Yanny has appeared  
14 as counsel of record for Vicki and Richard Aznaran in an action  
15 being prosecuted by the Aznarans against RTC, CSI and others,  
16 entitled, Vicki Aznaran et al vs. Church of Scientology of  
17 California, and assigned case number C 88-1786 JMI (Ex) by the  
18 United States District Court for the Central District of  
19 California ("the Aznaran case.") During the pendency of an  
20 earlier action in this Court entitled Religious Technology  
21 Center et al. v. Joseph A. Yanny et al., case number C 690  
22 211 ("Yanny 1"), Yanny was enjoined pendente lite from  
23 representing or providing legal counsel to the Aznarans in the  
24 Aznaran case. That provisional relief was lifted upon entry of  
25 final judgment by this Court in Yanny 1 on February 28, 1991.  
26 Like a number of substantially similar cases described in the  
27 preceding paragraph of this Complaint, the Aznaran case is one  
28 in which ex-Scientologists have sued these plaintiffs upon

1 theories of fraud and emotional distress. A motion to  
2 disqualify Yanny from representing the Aznarans in the Aznaran  
3 case is presently pending in that case.

4 16. During the time in which Yanny was plaintiff's  
5 counsel, plaintiffs were actively engaged in litigation in the  
6 matter of Church of Scientology of California v. Gerald  
7 Armstrong, Los Angeles Superior Court Case Number C 420 153,  
8 California Court of Appeal Case Number B 038 975.

9 Yanny's legal advice and counsel were sought and obtained  
10 by plaintiffs with respect to Gerald Armstrong, including the  
11 Armstrong case, settlement negotiations relating to it, partial  
12 settlement thereof, and the appeal therefrom. Yanny also was  
13 fully briefed upon, and his legal advice was sought and  
14 obtained by plaintiffs concerning the ongoing disputes between  
15 Armstrong and plaintiffs and the strategies to be employed by  
16 plaintiffs in dealing with those disputes. On July 15, 1991,  
17 Yanny and Armstrong informed a partner of the law firm  
18 representing CSC in this action that Yanny was now Armstrong's  
19 lawyer.

20 FIRST CAUSE OF ACTION

21 (Against all Defendants for Breach of Fiduciary Duty)

22 17. RTC, CSI and CSC repeat, reallege and incorporate  
23 herein by this reference each and every allegation contained in  
24 paragraphs 1 through 16, inclusive, of this complaint.

25 18. On April 1, 1988, Vicki Aznaran, the former president  
26 of RTC, and her husband, Richard Aznaran, a former employee of

27 ///

28 ///

1 CSI, filed the Aznaran case, in which they seek damages from  
2 plaintiffs upon theories that include fraud and emotional  
3 distress. The Aznaran case raises many issues which are  
4 substantially related to matters concerning which Yanny  
5 represented plaintiffs, in particular, but without  
6 limitation, the counterclaims against RTC, CSI and CSC in  
7 RTC v. Scott, in which Yanny served as lead counsel for  
8 plaintiffs.

9 19. The Aznaran case was initially filed on the  
10 Aznarans' behalf by Barry Van Sickle, an attorney whom Yanny  
11 located for the Aznarans and who also represented Yanny in  
12 Yanny 1 in this Court. Mr. Van Sickle was disqualified by the  
13 Court in the Aznaran case because he was "an extension of  
14 Joseph Yanny's continuing involvement in [the Aznaran case],"  
15 which the Court found to be improper. The Aznarans then  
16 employed another counsel to represent them in that case until  
17 June, 1991, when they discharged him.

18 20. On Friday, June 28, 1991, counsel for CSI, John J.  
19 Quinn, received a telephone call from Yanny. In that call,  
20 Yanny stated that he intended to substitute into the Aznaran  
21 case as counsel for the Aznarans, and requested that Mr. Quinn  
22 agree to an extension of "45 to 60 days" to oppose a pending  
23 summary judgment motion. Mr. Quinn informed Yanny that he  
24 considered Yanny's proposed representation of the Aznarans to be  
25 outrageous and improper, and informed Yanny that he would  
26 consult with his client and with co-counsel before agreeing to  
27 anything.

28 21. When, on Monday, July 1, 1991, Mr. Quinn informed

1 Yanny that he still considered Yanny's proposed representation  
2 unethical, and that neither he nor any or these plaintiffs would  
3 agree to any such extension to permit Yanny to come into the  
4 case, Yanny informed Mr. Quinn that he had already requested  
5 and obtained the Aznaran Court's permission to represent the  
6 Aznarans on an ex parte basis, without notice to any of the  
7 opposing parties.

8 On July 2, 1991, Mr. Quinn checked with the clerk of the  
9 Aznaran Court and found that the Court apparently signed  
10 Yanny's substitution on or about June 28, 1991.

11 22. Counsel for RTC and CSI in that case promptly  
12 prepared and, on July 3, 1991, filed, a motion to disqualify  
13 Joseph Yanny from representing the Aznarans in the Aznaran  
14 case. That motion is now pending.

15 23. While that motion to disqualify has been pending,  
16 Yanny has filed several papers in the Aznaran case on behalf  
17 of the Aznarans, made overtures to counsel for RTC, CSI, Church  
18 of Spiritual Technology ("CST") and Author Services, Inc.  
19 ("ASI") indicating a desire to discuss settlement on behalf of  
20 the Aznarans, and otherwise conducted himself as the Aznarans'  
21 counsel both of record and in fact.

22 24. As an attorney with a long-term, broad ranging  
23 professional relationship with RTC, CSI, and CSC, Yanny owes a  
24 fiduciary duty to RTC, CSI, and CSC that persists beyond the  
25 termination of that relationship, in the same manner that all  
26 attorneys owe such a duty to all of their clients, present and  
27 former. That fiduciary duty creates obligations of the utmost  
28 loyalty and confidentiality and the duty not to compromise the



1 interest of the former client.

2 25. Since at least June of 1991, Yanny has breached and  
3 continues to breach his fiduciary duty to RTC, CSI, and CSC in  
4 the manner and through the conduct set forth in this Complaint  
5 in that Yanny, among other things:

6 (a) Counseled, advised, and otherwise provided legal  
7 services to the Aznarans, who are persons with interests  
8 adverse to plaintiffs in a matter substantially related to  
9 matters in which Yanny formerly represented plaintiffs;

10 (b) Undertook direct representation of the Aznarans  
11 against RTC, CSI, and other Scientology-affiliated  
12 organizations as counsel of record in the Aznaran case in  
13 direct violation of the fiduciary duty of loyalty that is  
14 perpetual and sacrosanct with respect to a lawyer's former  
15 clients; and

16 (c) Traded upon the attorney-client communications he  
17 received while serving as plaintiff's lawyer by counseling and  
18 advising the Aznarans and by serving as their attorney of record  
19 and in fact, in direct violation of his perpetual fiduciary  
20 duties of loyalty and confidentiality to his former clients.

21 26. As a direct and proximate result of Yanny's  
22 persistent and continuing breaches of his fiduciary duties, RTC,  
23 CSI, and CSC have been, are and will continue to be irreparably  
24 harmed, and unless Yanny and those acting in concert with him  
25 are temporarily, preliminarily, and permanently enjoined from  
26 continuing that unlawful conduct, further irreparable injury  
27 will be caused to RTC, CSI, and CSC.

28 27. RTC, CSI, and CSC have already incurred, and continue

1 to incur, damages as a direct and proximate result of Yanny's  
2 conduct as alleged in this Complaint. Those damages are not  
3 presently calculable and will cease only when Yanny is ordered  
4 to stop his unlawful conduct. In no event, however, are they  
5 less than \$1,000,000.00. Consequently, plaintiffs seek  
6 compensatory damages according to proof.

7 28. Yanny's conduct is both oppressive and malicious and  
8 has been undertaken for the express purpose of injuring  
9 plaintiffs, his former clients. Accordingly, plaintiffs are  
10 entitled to punitive and exemplary damages in an amount to be  
11 determined at trial.

12 SECOND CAUSE OF ACTION

13 (Against All Defendants for Breach of Fiduciary Duty)

14 29. RTC, CSI and CSC repeat, reallege and incorporate  
15 herein by this reference each and every allegation contained in  
16 paragraphs 1 through 16, inclusive, of this Complaint.

17 30. On July 15, 1991, Yanny and Gerald Armstrong admitted  
18 to a partner in the law firm representing CSC, Kendrick Moxon,  
19 that Yanny had now undertaken legal representation of Armstrong.

20 31. Yanny knows that Armstrong is presently engaged in  
21 litigation adverse to plaintiffs, including the appeal of  
22 the very case in which Yanny's advice and counsel was sought and  
23 obtained by CSC and by RTC, as alleged in paragraph 16 of this  
24 Complaint.

25 32. As an attorney with a long-term, broad ranging  
26 professional relationship with RTC, CSI, and CSC, Yanny owes a  
27 fiduciary duty to RTC, CSI, and CSC that persists beyond the  
28 termination of that relationship, in the same manner that all

1 attorneys owe such a duty to all of their clients, present and  
2 former. That fiduciary duty creates obligations of the utmost  
3 loyalty and confidentiality and the duty not to compromise the  
4 interest of the former client.

5 33. Since at least July of 1991, Yanny has breached and  
6 continues to breach his fiduciary duty to RTC, CSI, and CSC in  
7 the manner and through the conduct set forth in this Complaint  
8 in that Yanny, among other things:

9 (a) Counseled, advised, and otherwise provided legal  
10 services to Armstrong, who is a person with interests  
11 adverse to plaintiffs in a matter substantially related  
12 to matters in which Yanny formerly represented  
13 plaintiffs;

14 (b) Undertook direct representation of Armstrong against  
15 RTC, CSI, and other Scientology-affiliated organizations in  
16 direct violation of the fiduciary duty of loyalty that is  
17 perpetual and sacrosanct with respect to a lawyer's former  
18 clients; and

19 (c) Traded upon the attorney-client communications he  
20 received while serving as plaintiff's lawyer by counseling and  
21 advising Armstrong in direct violation of his perpetual  
22 fiduciary duties of loyalty and confidentiality to his former  
23 clients.

24 34. As a direct and proximate result of Yanny's  
25 persistent and continuing breaches of his fiduciary duties, RTC,  
26 CSI, and CSC have been, are and will continue to be irreparably  
27 harmed, and unless Yanny and those acting in concert with him  
28 are temporarily, preliminarily, and permanently enjoined from

1 continuing that unlawful conduct, further irreparable injury  
2 will be caused to RTC, CSI, and CSC.

3 35. RTC, CSI, and CSC have already incurred, and continue  
4 to incur, damages as a direct and proximate result of Yanny's  
5 conduct as alleged in this Complaint. Those damages are not  
6 presently calculable and will cease only when Yanny is ordered  
7 to stop his unlawful conduct. In no event, however, are they  
8 less than \$1,000,000.00. Consequently, plaintiffs seek  
9 compensatory damages according to proof.

10 36. Yanny's conduct is both oppressive and malicious  
11 and has been undertaken for the express purpose of injuring  
12 plaintiffs, his former clients. Accordingly, plaintiffs are  
13 entitled to punitive and exemplary damages in an amount to be  
14 determined at trial.

15 WHEREFORE, plaintiffs pray for judgment as follows:

16 ON THE FIRST CAUSE OF ACTION  
17 (REGARDING THE AZNARANS)

18 1. For a temporary restraining order, preliminary  
19 injunction and a permanent injunction enjoining Yanny from  
20 violating the fiduciary duties he owes to plaintiffs as a result  
21 of their earlier attorney-client relationship.

22 2. For compensatory damages according to proof.

23 3. For punitive and exemplary damages in a sum to be  
24 determined at trial.

25 ON THE SECOND CAUSE OF ACTION  
26 (REGARDING ARMSTRONG)

27 1. For a temporary restraining order, preliminary  
28 injunction and a permanent injunction enjoining Yanny from  
violating the fiduciary duties he owes to Plaintiffs as a result



VERIFICATION

I, Warren McShane, am the Secretary of the Religious Technology Center, plaintiff in this action. I have read the foregoing Verified Complaint for Damages and for Temporary, Preliminary and Permanent Injunctive Relief for Breach of Fiduciary Duty and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 13th day of July, 1991, at Los Angeles, California.

  
WARREN McSHANE



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VERIFICATION

I, Gail Armstrong, am the President of the Church of Scientology of California, plaintiff in this action. I have read the foregoing Verified Complaint for Damages and for Temporary, Preliminary and Permanent Injunctive Relief for Breach of Fiduciary Duty and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 17th day of July, 1991, at Los Angeles, California.

  
\_\_\_\_\_  
GAIL ARMSTRONG



EXHIBIT H

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CHURCH OF SCIENTOLOGY  
INTERNATIONAL,

Plaintiff,

vs.

TIME WARNER, INC., TIME  
INC. MAGAZINE COMPANY,  
and RICHARD BEHAR,

Defendants.

X  
**92 CIV. 3024**

Civil Action No.

COMPLAINT FOR LIBEL

**JUDGE WOOD**

Plaintiff, CHURCH OF SCIENTOLOGY INTERNATIONAL ("Church" or "plaintiff") sues defendants TIME WARNER, INC. ("Warner"), TIME INC. MAGAZINE COMPANY ("Time") and RICHARD BEHAR ("Behar") and, for its complaint, avers as follows:

JURISDICTION AND VENUE

1. This Court has diversity jurisdiction of the subject matter of this civil action pursuant to Section 1332 of Title 28 of the United States Code, in that the matter in controversy exceeds the sum or value of \$50,000, exclusive of interest and costs, and is between citizens and residents of different states.

2. Venue is proper in this Court pursuant to Section 1391 of Title 28 of the United States Code in that subject matter jurisdiction is founded only on diversity of citizenship and defendants Warner and Time have their principal places of business in this judicial district and defendant Behar resides in this judicial district.

### NATURE OF THE ACTION

3. This is an action for damages directly resulting from defendants' publication on April 29, 1991 of false and libelous statements of and concerning plaintiff Church in the cover story and sidebars of the May 6, 1991 issue of Time magazine ("article"). The article contained a series of false and highly defamatory statements hereinafter alleged which were published to support defendants' pre-determination that the Scientology religion is not an "acceptable" religion for the social mainstream.

4. Maliciously constructed from its inception to attempt to destroy the Scientology religion and plaintiff Church while defendants turned a profit in the process, the article is devoid of any mention of the Church's commitment to positive social reform and the accompanying contributions of its parishioners. Beyond that, defendants employed the hatchet job technique of vicious name-calling, falsely labelling a judicially recognized religion as "bogus" and "Mafia-like." This was consistent with Behar's pre-determination, admitted publicly after publication of this Time article, that he would disregard decades of Scientology's worldwide religious bona fides and that: "The point of the story was to look at Scientology as a business. We approached it as a business story, not a religion story."

5. The history of the article is a history of actual malice. Defendants' compilation of information for the article, the selection and credentials of the correspondent chosen to author the article, their systematic disregard of volumes of factual data received by them in advance of publication, the published article itself, and their post-publication refusal to correct any of the false and defamatory statements hereinafter alleged, all reflect

defendants' knowing falsity or reckless disregard for the truth of the assertions which they published.

### PARTIES

6. Plaintiff Church of Scientology International is a not-for-profit religious corporation organized and existing under the laws of the State of California, with its principal offices in the State of California. Plaintiff Church is the Mother Church of the Scientology religion.

7. Defendants Warner and Time are each for-profit corporations organized and existing under the laws of the State of Delaware, each with its principal place of business in the State of New York and in this judicial district. At all relevant times, Warner, through its wholly owned subsidiary Time, managed, controlled, published and distributed a weekly magazine known as Time.

8. At all relevant times, defendant Behar was and is a citizen and resident of the State of New York and this judicial district. Over at least the past 18 months, Behar has been an employee of Time. Behar is the author of the article which is the subject of this complaint.

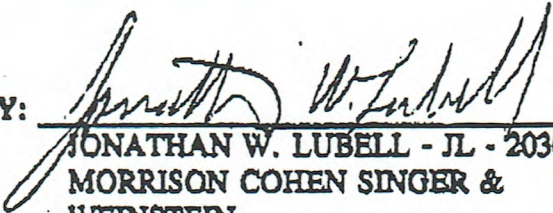
### GENERAL ALLEGATIONS

9. Time selected Behar, a reporter with a known history of malice against the Church and the Scientology religion, to bring Time's pre-determined theme to the magazine's pages. Behar's selection to author the article was a virtual guarantee that plaintiff would be described in the most negative and derogatory terms and that no meaningful dialogue would

2. For costs of suit;
3. For punitive damages in an amount of no less than \$416,000,000; and
4. For such other relief as the Court may deem just and proper.

Dated: New York, New York  
April 27, 1992

Respectfully submitted,

BY:   
JONATHAN W. LUBELL - JL - 2030  
MORRISON COHEN SINGER &  
WEINSTEIN  
750 Lexington Avenue  
New York, New York 10022  
(212) 735-8600

MICHAEL L. HERTZBERG, ESQ.  
740 Broadway, Fifth Floor  
New York, New York 10003  
(212) 982-9870

TIMOTHY BOWLES, ESQ.  
BOWLES & MOXON  
6255 Sunset Blvd., Ste. 2000  
Hollywood, CA 90028  
(213) 661-4030

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL



atty # 18751

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION

CULT AWARENESS NETWORK,

Plaintiff,

v.

CHURCH OF SCIENTOLOGY INTERNATIONAL,  
BOWLES & MOXEN,  
CHURCH OF SCIENTOLOGY OF ILLINOIS,  
ANDREW BAGLEY,  
GLEN BARTON,  
GREGORY BASHAW,  
CHARLES BENEDETTI,  
VALON MITCHELL CROSS,  
SAMUEL DEMETER,  
JOE LEWIS,  
MARION MELBERG,  
LARRY MILLER,  
DAVID SCHRAM, and  
LYNN WARD,

Defendants.

No.

Call

941 00801

Trial By Jury Demanded

**JURY DEMAND**

**MOTION CALL C**

VERIFIED COMPLAINT AT LAW

Now comes the Plaintiff, Cult Awareness Network, by and through its attorneys, John M. Beal and George N. Vurdelja, Jr., and for its complaint against the defendants Church of Scientology International, Bowles & Moxen, Church of Scientology of Illinois, Andrew Bagley, Glen Barton, Gregory Bashaw, Charles Benedetti, Valon Mitchell Cross, Samuel Demeter, Joe Lewis, Marion Melberg, Larry Miller, David Schram, and Lynn Ward alleges as follows:

**PARTIES**

1. Plaintiff Cult Awareness Network (hereinafter "CAN") is, and at all times relevant hereto was, a not-for-profit corporation duly organized under the laws of the State of California with its principal place of business in Barrington, Cook County, Illinois. CAN has nineteen affiliate organizations around the United States.

2. Defendant Church of Scientology International (hereinafter "Church of Scientology") is, and at all times relevant hereto was, a religious corporation organized under the laws of the State of California with its principal place of business in Los Angeles, California.

3. Defendant Bowles & Moxen is, and at all times relevant hereto was, a law firm with its principal place of business in Los Angeles, California.

4. Defendant Church of Scientology of Illinois, on information and belief, is, and at all times relevant hereto was, a not-for-profit organization under the laws of the State of Illinois, with its principal place of business in Chicago, Cook County, Illinois.

5. Defendant Andrew Bagley is, and at all times relevant hereto was, a resident of the State of Kansas and a member of the Church of Scientology.

6. Defendant Glen Barton is, and at all times relevant hereto was, a resident of the State of California and a member of the Church of Scientology.

7. Defendant Gregory Bashaw is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

8. Defendant Charles Benedetti is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

9. Defendant Valon Mitchell Cross is, and at all times relevant hereto was, a resident of San Francisco, California and a member of



the Church of Scientology.

10. Defendant Samuel Demeter is, and at all times relevant hereto was, a resident of Gresham, Oregon and a member of the Church of Scientology.

11. Defendant Joe Lewis is, and at all times relevant hereto was, a resident of Lake County, State of Illinois and a member of the Church of Scientology.

12. Defendant Marion Melberg is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

13. Defendant Larry Miller is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

14. Defendant David Schram is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

15. Defendant Lynn Ward is, and at all times relevant hereto was, a resident of Cook County, State of Illinois and a member of the Church of Scientology.

#### NATURE OF THE CASE

16. Defendants have brought a series of unfounded lawsuits against CAN for the purpose of interfering with CAN's regular activities, particularly that of educating its members and the public as to religious rights, freedoms and responsibilities, by making it necessary for CAN's members, officers, and employees: 1) to devote

and complaints.

145. The Church of Scientology International is not a party in any of the lawsuits or complaints set forth in paragraphs 17 through 115, above.

146. CAN has been damaged by the aforesaid actions of defendants, by incurring legal fees and costs, by paying staff to engage in litigation related activities, by being impeded in and prevented from engaging in CAN's corporate cause and purpose of public education, and otherwise.

WHEREFORE, plaintiff prays that this Court:

a. find that the defendant Church of Scientology International, aided and abetted by defendants Bowles and Moxen and Church of Scientology of Illinois, is guilty of maintenance,

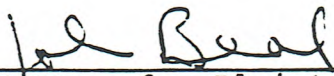
b. find that defendant Church of Scientology International, aided and abetted by defendant Bowles and Moxen and Church of Scientology of Illinois, engaged in the aforesaid maintenance wilfully and wantonly,

b. enter judgment in plaintiffs' favor and against defendants,

d. award plaintiff compensatory damages in the amount of \$1,000,000, plus plaintiff's costs herein,

e. award plaintiff punitive damages for defendants' willful and wanton conduct in the amount of \$3,000,000, and


f. award such further relief as the Court deems just and proper.

  
\_\_\_\_\_  
Attorney for Plaintiff

CERTIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this affidavit are true and correct, except as to matters therein stated to be on information and belief, and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

Dated: January 17, 1994

  
\_\_\_\_\_  
William R. Rehling

John M. Beal  
Attorney at Law  
321 S. Plymouth Court, Suite 800  
Chicago, IL 60604  
(312) 408-2766  
atty #18751

George N. Vurdelja, Jr.  
~~George N. Vurdelja & Associates~~  
14 East Jackson Blvd., Suite 1320  
Chicago, IL 60604  
(312) 427-3777  
atty #50499



1910 - No Fee Paid

1919 - Fee Paid

JURY DEMAND

CCG-67 (2-81)

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION

CYNTHIA KISSER,

Plaintiff,

v.

THE CHICAGO CRUSADER, THE CHURCH OF  
SCIENTOLOGY OF ILLINOIS, MIDWEST CIRCULATION  
CORPORATION, DOROTHY LEVELL-SMITH, JOHNNY  
SMITH, DOROTHY GONDER, and MARY ANNE AHMAD,

Defendants.

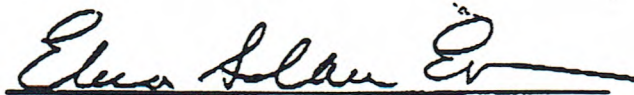
NO.

92L08593

JURY DEMAND

NOTION CALL B.

The undersigned demands a jury trial.



Edna Selan Epstein

Name Edna Selan Epstein  
Attorney for Plaintiff  
Address 321 S. Plymouth Court  
Suite 800  
City Chicago, IL 60604  
Telephone (312) 408-2750  
Atty No. 70478



WHEREFORE, Plaintiff CYNTHIA KISSER seeks compensatory and punitive damages in excess of \$15,000 from each of the defendants, THE CHURCH OF SCIENTOLOGY OF ILLINOIS, THE CHICAGO CRUSADER, MIDWEST CIRCULATION CORP., DOROTHY LEVELL-SMITH, JOHNNY SMITH, DOROTHY GONDER, MARY ANNE AHMAD, jointly and severally.

Respectfully submitted,

  
Edna Selan Epstein  
One of Cynthia Kisser's attorneys

Edna Selan Epstein  
John M. Beal  
THE LAW OFFICES OF EDNA SELAN EPSTEIN  
321 South Plymouth Court, Suite 800  
Chicago, IL 60604  
(312) 408-2750

IN THE CIRCUIT COURT OF COOK COUNTY  
COUNTY DEPARTMENT, LAW DIVISION

CYNTHIA KISSER,

Plaintiff,

vs.

THE CHICAGO CRUSADER,  
THE CHURCH OF SCIENTOLOGY OF ILLINOIS,  
MIDWEST CIRCULATION CORPORATION,  
DOROTHY LEVELL-SMITH,  
JOENNY SMITH,  
DOROTHY GONDER,  
MARY ANNE AHMAD,

Defendants

JURY DEMAND

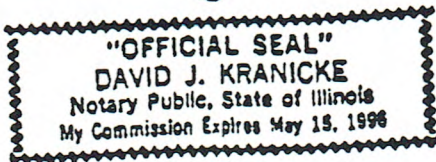
VERIFICATION

I, Cynthia Kisser, being duly sworn and under oath, depose and state that I have read the foregoing complaint and that the factual matters asserted therein are true and correct and that any inferences or conclusions drawn therefrom are true and correct to the best of my information and belief.

*Cynthia Kisser*  
Cynthia Kisser

Subscribed and sworn before me  
this 9<sup>th</sup> day of July, 1992

*David J. Kranicke*  
Notary Public







IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS

CYNTHIA KISSER,  
Plaintiff,

vs.

1 THE COALITION FOR RELIGIOUS FREEDOM,  
2 RELIGIOUS FREEDOM ALERT,<sup>3</sup> DONALD SILLS,  
4 DANIEL HOLDGRIEWE,<sup>5</sup> JOSEPH PAIGE,  
6 ROBERT GRANT,  
7 THE CHURCH OF SCIENTOLOGY INTERNATIONAL,  
8 HEBER C. JENTSCH,<sup>9</sup> FREEDOM, *(left off freedom)*  
9 THE NEW FEDERALIST,  
10 KKW PUBLISHING COMPANY, INC.,  
11 PMW PRINTING COMPANY, INC.,  
12 PUBLICATIONS AND GENERAL MANAGEMENT, INC.,  
13 NANCY SPANNAUS,<sup>14</sup> YALAN YUE,  
15 CHRISTINA W. HUTH,<sup>16</sup> HOLY SPIRIT ASSOCIATION  
16 FOR THE UNIFICATION OF WORLD CHRISTIANITY,  
17 d/b/a, UNIFICATION CHURCH,  
18 UNIFICATION NEWS,<sup>19</sup> RICHARD LEWIS,  
19 SCIENTOLOGISTS TAKING ACTION FOR NON-  
DISCRIMINATION, d/b/a, STAND  
AND ANDREW BAGLEY,

Defendants.

9204508

JURY DEMAND

U.S. DISTRICT COURT

MAGISTRATE JUDGE RUTZSCHALL  
FILED-ED4  
JAN 10 PM 4:11

COMPLAINT AT LAW

NOW COMES, Plaintiff, CYNTHIA KISSER, by her attorneys, Edna Selan Epstein and John Beal, and complains of defendants, as follows:

PARTIES

1. Plaintiff CYNTHIA KISSER ("KISSER") is a resident of Wonder Lake, McHenry County, Illinois. She is the Executive Director of a not for profit organization, incorporated in the State of California, called Cult Awareness Network ("CAN"), with its principal place of business located at 301 East Main Street,

Suite 100, Barrington, County of Cook, Illinois. CAN's mission is to help those who have been victimized by cults and to alert the general public to the dangers of destructive cults on individuals and their families and to the threat that such cults pose for political, social and personal freedoms. CAN'S mission also encompasses educating the general public in respect to religious rights, freedoms and responsibilities.

2. Defendant THE COALITION FOR RELIGIOUS FREEDOM ("CFR") is a Virginia corporation with its principal place of business located at 5400 Eisenhower Avenue, Alexandria, Virginia. Defendant CFR has been heavily funded by defendant UNIFICATION CHURCH.

3. Defendant RELIGIOUS FREEDOM ALERT ("RFA") was a monthly publication of CFR distributed nationwide including in the Northern District of Illinois.

4. Defendant DONALD SILLS ("SILLS") is the President of CFR and resides at 512 Follin Lane, SE, Vienna, Virginia, County of Fairfax.

5. Defendant DANIEL HOLDGRIEWE ("HOLDGRIEWE") is Vice President and Executive Director of CRF, and is a resident at 6255 Navajo Drive, Alexandria, Virginia.

6. Defendant JOSEPH PAIGE ("PAIGE") is the Secretary of CRF and is a resident of 509 Hilltop Drive, Raleigh, North Carolina.

7. Defendant ROBERT GRANT ("GRANT") is a Director of CRF and is a resident of 7339 Wayfarer Drive, Fairfax Staton, Virginia.

8. Defendant THE CHURCH OF SCIENTOLOGY INTERNATIONAL ("SCIENTOLOGY") is a not for profit organization incorporated in

California with its principal place of business located at 6331 Hollywood Boulevard, Suite 1200, Los Angeles, California.

9. Defendant HEBER C. JENTSZCH ("JENTSZCH") is the President of SCIENTOLOGY.

10. Defendant FREEDOM is a national magazine published by defendant SCIENTOLOGY. FREEDOM'S principal place of business is located at 6331 Hollywood Blvd. Suite 1200, Los Angeles, California.

11. Defendant THE NEW FEDERALIST, is a newspaper, with its principal place of business located in Leesburg, Virginia. THE NEW FEDERALIST is distributed nationally, including in Illinois. It is a publication of the Lyndon LaRouche Organization.

12. Defendant KMW PUBLISHING COMPANY, INC. ("KMW") is a Delaware Corporation registered as a foreign corporation in Virginia which publishes and/or owns in part or in full THE NEW FEDERALIST and is located at Indian Creek Center, # 3, Sterling, Virginia.

13. Defendant PMW PRINTING COMPANY, INC. ("PMW") is publisher and/or owner in part or in full of THE NEW FEDERALIST, and is a New York corporation registered as a foreign corporation in Virginia, whose business address is Indian Creek Center, #3, Sterling, Virginia.

14. Defendant PUBLICATIONS AND GENERAL MANAGEMENT, INC. ("PGM") is the national distributor of THE NEW FEDERALIST and is a New York corporation registered as a foreign corporation in Virginia, whose business address is 62 Sycolin Road, Leesburg,

Virginia.

15. Defendant NANCY SPANNAUS ("SPANNAUS") is the Editor-in-Chief of THE NEW FEDERALIST, and is a resident at 32 East Broadway, Lovettsville, Virginia.

16. Defendant ALAN YUE ("YUE") is an associate editor of THE NEW FEDERALIST and resides at 325 Rock Spring Drive, Leesburg, Virginia.

17. Defendant CHRISTINA N. HUTH ("HUTH") is an associate editor of THE NEW FEDERALIST and resides at Rt. 2, Box 299, Leesburg, Virginia.

18. Defendant UNIFICATION CHURCH is a not for profit corporation, incorporated under the name HOLY SPIRIT ASSOCIATION FOR THE UNIFICATION OF WORLD CHRISTIANITY in the State of California with its principal place of business located at 4 West 43rd Street in New York, New York ("UNIFICATION CHURCH").

19. Defendant UNIFICATION NEWS is the official publication of defendant UNIFICATION CHURCH and has its principal place of business located at 4 West 43rd Street in New York, New York.

20. Defendant RICHARD LEWIS ("LEWIS") is the Editor of defendant UNIFICATION NEWS.

21. Defendant SCIENTOLOGISTS TAKING ACTION FOR NON-DISCRIMINATION ("STAND") is an unincorporated organization whose headquarters are located at 3619 Broadway, Kansas City, Missouri.

22. Defendant ANDREW BAGLEY ("BAGLEY") is National Director of STAND and resides at 3619 Broadway, Kansas City, Missouri.

### JURISDICTION

23. This Court has jurisdiction over the matter asserted by virtue of the diversity of citizenship between plaintiff and each defendant and because the matters in controversy exceeds \$50,000 in terms of damages sought. 28 U.S.C. § 1332.

### VENUE

24. Venue properly lies in the Northern District of Illinois because publication of the defamatory statements complained of were distributed and published by defendants, along with other places, in the Northern District of Illinois, where plaintiff resides and works.

### NATURE OF THE ACTION

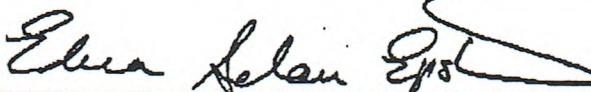
25. Plaintiff brings this action in various counts against the respective defendants alleging that each has made defamatory statements about her and that they have conspired together to give such statements the widest possible currency. Defendants have acted to spread the defamatory statements based on the proposition that any lie repeated often enough will be taken as truth by some individuals and that resources expended in combating such lies will detract from and undercut the primary mission of plaintiff as Executive Director of CAN.

29. A balance of harms warrants enjoining all defendants from continuing to publish libels against KISSER either by direct falsehoods or by means of defamatory innuendos which seek to associate KISSER with sexual perverts and criminals of various types.

30. Plaintiff seeks such injunctive relief after a finding on the merits has shown the warrant thereof and the need therefor.

WHEREFORE, Plaintiff respectfully requests that after a full evidentiary hearing by the Court, should such prove necessary before a final adjudication on the merits or after a full trial by jury on the underlying claims, this Court grant equitable relief against future and continuing libels against her by each of these defendants by enjoining each and every one of them from making any further libelous statements about and in respect to her.

Respectfully submitted,

  
One of Cynthia Kissers attorneys

Edna Selan Epstein  
John M. Beal  
THE LAW OFFICES OF EDNA SELAN EPSTEIN  
321 South Plymouth Court, Suite 800  
Chicago, IL 60604  
(312) 408-2750

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS

CYNTHIA KISSER,

Plaintiff,

vs.

THE COALITION FOR RELIGIOUS FREEDOM,  
RELIGIOUS FREEDOM ALERT, DONALD SILLS,  
DANIEL HOLDGRIEWE, JOSEPH PAIGE,  
ROBERT GRANT, THE CHURCH OF SCIENTOLOGY INTL,  
HEBER C. JENTSZCH, FREEDOM,  
THE NEW FEDERALIST, KMW PUBLISHING COMPANY, INC.,  
PMW PRINTING COMPANY, INC.,  
PUBLICATIONS AND GENERAL MANAGEMENT, INC.,  
NANCY SPANNAUS, ALAN YUE,  
CHRISTINA N. HUTE, HOLY SPIRIT ASSOCIATION  
FOR THE UNIFICATION OF WORLD CHRISTIANITY,  
d/b/a UNIFICATION CHURCH,  
UNIFICATION NEWS, RICHARD LEWIS,  
SCIENTOLOGISTS TAKING ACTION FOR NON-  
DISCRIMINATION, d/b/a, STAND and ANDREW BAGLEY,

JURY DEMAND

Defendants.

VERIFICATION

I, Cynthia Kisser, being duly sworn and under oath, depose and state that I have read the foregoing complaint and that the factual matters asserted therein are true and correct and that any inferences or conclusions drawn therefrom are true and correct to the best of my information and belief.

*Cynthia Kisser*  
Cynthia Kisser

Subscribed and sworn before me  
this 9<sup>th</sup> day of July, 1992

*David J. Kranicke*  
Notary Public





EXHIBIT L

1 **GREENE, O'REILLY, AGNEW & BROILLET**  
2 A LAW CORPORATION  
3 1122 WILSHIRE BOULEVARD  
4 LOS ANGELES, CALIFORNIA 90017  
5 (213) 482-1122  
6 (213) 482-1350

**FILED**

JUL 28 1980

John J. Corcoran, County Clerk

*Carol A. Burge*

BY CAROL A. BURGE, DEPUTY

Attorneys for PLAINTIFF  
LARRY WOLLERSHEIM

*06/24  
11*

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
8 FOR THE COUNTY OF LOS ANGELES

0332827

11 LARRY WOLLERSHEIM, )  
12 Plaintiff, )  
13 -vs- )  
14 CHURCH OF SCIENTOLOGY OF )  
15 CALIFORNIA, A Corporation, )  
16 CHURCH OF SCIENTOLOGY OF )  
17 FLORIDA, A Corporation; )  
18 L. RON HUBBARD, An Individual; )  
19 CHURCH OF SCIENTOLOGY, A )  
20 Corporation; DOES 1 through 200, )  
21 inclusive, )  
22 Defendants. )

CASE NO. \_\_\_\_\_  
COMPLAINT FOR DAMAGES  
(FRAUD, INTENTIONAL INFLICTION  
OF EMOTIONAL DISTRESS,  
NEGLIGENT INFLICTION OF  
EMOTIONAL SHOCK)

21 COMES NOW Plaintiff, LARRY WOLLERSHEIM, and for causes  
22 of action against Defendants. and each of them, Complains and  
23 alleges as follows:

24 GENERAL ALLEGATIONS

25 1. That the true names and/or capacities, whether  
26 individual, corporate, associate or otherwise of Defendants,  
27  
28

FILED  
JUL 28 1980  
CLERK

1 DOES 1 through 200, inclusive, and each of them, are unknown  
 2 to Plaintiff who, therefore, sues said Defendants by such  
 3 fictitious names. Plaintiff is informed and believes and upon  
 4 such information and belief alleges that each of the Defendants  
 5 fictitiously named herein as a DOE is legally responsible,  
 6 intentionally, negligently and/or in some other actionable  
 7 manner, for the events and happenings hereinafter referred to  
 8 and proximately thereby caused the injuries and damages to  
 9 Plaintiff as hereinafter alleged. The Plaintiff will seek leave  
 10 of Court to amend this Complaint to amend this Complaint to  
 11 insert the true names and/or capacities of such fictitiously  
 12 named Defendants when the same have been ascertained.

13  
 14 2. Plaintiff is informed and believes and thereupon  
 15 alleges that at all times mentioned herein and material hereto,  
 16 Defendants, and each of them, were the agents, servants, employees  
 17 and/or joint venturers of their co-defendants and were, as such,  
 18 acting within the course, scope and authority of said agency,  
 19 employment and/or venture and that each and every Defendants,  
 20 as aforesaid, when acting as a principal, was negligent in the  
 21 selection and hiring of each and every other Defendant as an  
 22 agent, employee and/or joint venturer.

23  
 24 3. That at all times mentioned herein and material  
 25 hereto, Plaintiff, LARRY WOLLERSHEIM, was a resident of the  
 26 County of Los Angeles, State of California.

27  
 28 //

//

1 at this time and when said amounts are ascertained, the Plaintiff  
2 will ask leave of court to amend this Complaint and allege said  
3 amounts, or will state said sum or sums according to proof at  
4 the time of trial.

5  
6 WHEREFORE, Plaintiff prays judgment from Defendants,  
7 and each of them, as follows:

8  
9 1. General Damages in an amount according to proof,  
10 pursuant to C.C.P. Section 425.10;

11 2. Medical and incidental expenses, according to  
12 proof;

13 3. Lost earnings, loss of future earnings, loss of  
14 earning capacity, according to proof;

15 4. General damages for mental, emotional and physical  
16 suffering, shock and distress in an amount which will be  
17 stated according to proof;

18 5. For punitive and exemplary damages in the amount  
19 of Twenty Five Million Dollars (\$25,000,000.00);

20 6. For Plaintiff's costs of suit incurred herein; and

21 7. For such other and further relief as the Court  
22 deems just and proper.

23 DATED: July 25, 1980

GREENE, O'REILLY, AGNEW & BROILLET

24  
25 By Charles B. O'Reilly  
26 CHARLES B. O'REILLY  
27 KENNETH EARL CLARK  
28 Attorneys for Plaintiff,  
Larry Wollersheim.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

LARRY WOLLERSHEIM,  
Plaintiff,

-VS-

CHURCH OF SCIENTOLOGY, etc.,  
et al.,  
Defendants.

CASE NUMBER

CERTIFICATE OF ASSIGNMENT

A civil action or proceeding presented for filing in a district other than the Central District must be accompanied by this certificate. An action for personal injury, wrongful death or damage to property presented for filing in the Central District must be accompanied by this certificate. If the ground is the residence of a party, his name and residence shall be stated.

The undersigned declares that the above entitled matter is filed for proceedings in the CENTRAL District of the Superior Court under Rule 2, Section 3 of this court for the checked reason:

<u>Nature of Action</u>	<u>Ground</u>
<input type="checkbox"/> 1 Adoption	Petitioner resides within the district
<input type="checkbox"/> 2 Conservator	Petitioner or conservator resides within the district
<input type="checkbox"/> 3 Contract	Performance in the district is expressly provided for
<input type="checkbox"/> 4 Equity	The cause of action arose within the district
<input type="checkbox"/> 5 Eminent Domain	The property is located within the district
<input type="checkbox"/> 6 Family Law	Plaintiff, defendant, petitioner or respondent resides within the district
<input type="checkbox"/> 7 Forceable Entry	The property is located within the district
<input type="checkbox"/> 8 Guardianship	Petitioner or ward resides within the district
<input type="checkbox"/> 9 Habeas Corpus	No action pending, the person is held within the district
<input type="checkbox"/> 10 Mandate*	The defendant functions wholly within the district
<input type="checkbox"/> 11 Name Change	The petitioner resides within the district
<input type="checkbox"/> 12 Personal Property	The property is located within the district
<input type="checkbox"/> 13 Probate	Decedent resided or petitioner resides within the district
<input type="checkbox"/> 14 Prohibition*	The defendant functions wholly within the district
<input type="checkbox"/> 15 Review*	The defendant functions wholly within the district
<input type="checkbox"/> 16 Small Claims Appeal	The lower court is located within the district
<input type="checkbox"/> 17 Title to Real Property	The property is located within the district
<input checked="" type="checkbox"/> 18 TORT	The cause of action arose within the district
<input type="checkbox"/> 19 TORT*	The cause of action arose outside of this county
<input type="checkbox"/> 20 Transferred Action	The lower court is located within the district
<input type="checkbox"/> 21 Unlawful Detainer	The property is located within the district

0332127

The residence of the petitioner, respondent, deceased, conservator, ward, plaintiff, or defendant is \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Address)

I declare under penalty of perjury that the foregoing is true and correct and this declaration was executed on July 25, 1980 at Los Angeles, California.

*Kenneth Earl Clark*  
\_\_\_\_\_  
(Signature of Attorney)  
KENNETH EARL CLARK

\*Prerogative writs concerning a court of inferior jurisdiction and Tort Actions arising outside of the county may be filed in Central District only



1 Kendrick L. Moxon  
2 BOWLES & MOXON  
3 6255 Sunset Blvd.  
4 Suite 2000  
5 Hollywood, CA 90028-7421  
6 (213) 661-4030

7 Attorneys for Plaintiff  
8 CHURCH OF SCIENTOLOGY OF CALIFORNIA

9  
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY OF ) CASE NO.  
13 CALIFORNIA, a California non- )  
14 profit religious corporation, ) COMPLAINT TO SET ASIDE  
15 ) JUDGMENT AND FOR EQUITABLE  
16 Plaintiff, ) RELIEF  
17 )  
18 vs. )  
19 )  
20 LARRY WOLLERSHEIM, )  
21 )  
22 Defendant. )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

29 Plaintiff Church of Scientology of California ("the Church")  
30 alleges as follows:

31 GENERAL ALLEGATIONS

32 1. This is an action for equitable relief from a judgment  
33 rendered in this Court on July 22, 1986, in an action entitled  
34 Larry Wollersheim v. Church of Scientology of California, Case  
35 No. C 332 027 (the "Prior Action"). A true and correct copy of  
36 that judgment is annexed as Exhibit A. The Prior Action resulted  
37 in the entry of a judgment against the Church for, inter alia,  
38 punitive damages which exceeded the Church's proven net worth by  
more than \$14,000,000. Evidence newly discovered, as set forth  
in detail in paragraphs 9 - 20, infra, reveals that the verdict

1 was the result of passion and prejudice not merely of the jury,  
2 but of the sitting judge; that the judge was biased against the  
3 Church during the trial of the Prior Action because of beliefs  
4 that had no basis in fact, and came solely from extrajudicial  
5 sources; that the judge's prejudice became the source of the  
6 jurors' prejudice and bias; and that those prejudices were  
7 deliberately concealed from the Church and its counsel both  
8 during the trial proceedings and during post-trial proceedings in  
9 which the Church's attempts to inquire into the bias of judge and  
10 jury were uniformly thwarted. Because the trial court, due to  
11 his bias and prejudice, lacked jurisdiction over the trial of the  
12 Prior Action, the Church seeks equitable relief from the unjust  
13 judgment.

14 2. The Church is, and at all times herein mentioned was, a  
15 not for profit religious corporation organized and existing under  
16 the laws of the State of California with its principal offices at  
17 1404 North Catalina, Los Angeles, California 90027.

18 3. Defendant Larry Wollersheim is an individual whose  
19 current residence is not known to the Church, but whose current  
20 mail drop, upon information and belief, is P.O. Box 10910, Aspen,  
21 Colorado 81612.

22 4. Jurisdiction and venue are proper in this Court because  
23 this is an action for equitable relief from a judgment entered in  
24 the Prior Action. That judgment was modified by the California  
25 Court of Appeal in an opinion reported at 212 Cal.App.3d 872, 260  
26 Cal.Rptr. 331 (1989). The Court of Appeal's opinion was then  
27 vacated by the United States Supreme Court in a proceeding  
28 reported at 111 S.Ct. 1298 (1991). Judgment was again entered by



1 the California Court of Appeal on March 20, 1992, [Exhibit B] and  
2 modified by that Court on April 20, 1992 [Exhibit C]. On July  
3 23, 1992, the California Supreme Court granted the Church's  
4 petition for review. The case is being held pending decision by  
5 the Supreme Court of the United States in TXO Production Corp. v.  
6 Alliance Resources Corp., et al., No. 92-479 and pending a  
7 determination by the Supreme Court of California in Gourley v.  
8 State Farm Mutual Automobile Ins. Co. (SO14133) and MGW, Inc. v.  
9 Fredericks Development Corp. et al. (SO15966).

10 FIRST CAUSE OF ACTION

11 FOR EQUITABLE RELIEF FROM JUDGMENT

12 (Against Defendant Wollersheim)

13 5. This action seeks an order from the Court declaring the  
14 judgment in the Prior Action null and void in its entirety. The  
15 judgment rendered in the Prior Action was, and at all times has  
16 been, and now is void because the trial court lacked jurisdiction  
17 to render judgment in the Prior Action.

18 6. The Church is informed and believes that the judge in  
19 the Prior Action, the Honorable Ronald Swearinger, was  
20 disqualified under California case law and applicable provisions  
21 of the California Code of Civil Procedure, including C.C.P. §§  
22 170.1 and 170.6. Newly-discovered evidence, as hereinafter  
23 alleged, discloses that the judge entertained -- but failed to  
24 disclose that he entertained -- unfavorable beliefs and a biased  
25 condition of mind toward the Church during the trial of the Prior  
26 Action. The unfavorable beliefs had no basis in fact or  
27 evidence, nor did they derive from anything other than  
28 extrajudicial sources. Because of these unfounded beliefs and

1 bias, Judge Swearinger was disqualified throughout the pendency  
2 of the Prior Action, and lacked jurisdiction to preside over the  
3 trial, or to enter judgment.

4 7. During post-trial proceedings following the Prior  
5 Action, interviews with jurors conducted by the Church's  
6 attorneys revealed that the jurors "believed" that they were  
7 being followed by members of the Church of Scientology. One of  
8 the jurors, Terri Reuter, stated that the jury had been told by  
9 "unnamed court personnel," whom she refused to identify, that  
10 during the trial Judge Swearinger's tires had been slashed, and  
11 that his dog had been found dead. She said that the jurors  
12 attributed these actions to unknown and unnamed members of the  
13 Church of Scientology. None of the jurors, however, would  
14 volunteer further information about these events. No members of  
15 any Church of Scientology had, in fact, followed the jurors,  
16 slashed any tires, or done anything at all to Judge Swearinger's  
17 dog. The Church was aware, however, that Wollersheim's counsel,  
18 Charles O'Reilly, had hired multiple private investigators during  
19 the course of the Prior Action, and Church counsel suspected that  
20 one or more of these investigators were responsible for "dirty  
21 tricks" designed to implicate the Church, and prejudice the jury.

22 8. After the juror interviews, Church attorneys sought to  
23 investigate the bias that obviously pervaded the jury and  
24 infected its verdict, seeking the source of these unfounded  
25 accusations, which had never been made in the open courtroom  
26 during the trial itself. Church counsel raised with the Court  
27 the jury bias which had been learned of in post-trial interviews,  
28 including the statements made by Reuter, and made a request to

1 Judge Swearinger to be allowed discovery into the jurors in order  
2 to establish the extent and source of the taint. Wollersheim's  
3 counsel vigorously opposed such an investigation and Judge  
4 Swearinger refused to allow the discovery. The source of the  
5 jury's bias thus remained a mystery for five years.

6 9. Finally, in an interview with William W. Horne, a  
7 reporter employed by the American Lawyer magazine which took  
8 place in 1992, Judge Swearinger revealed that he maintained a  
9 condition of mind of unfavorable bias against the Church during  
10 the trial of the Prior Action. According to Horne, Judge  
11 Swearinger stated that his dog had drowned in the family swimming  
12 pool during the trial of the Prior Action, and that the judge  
13 believed that he had been followed when in his car throughout the  
14 trial. The judge informed Horne that, while he was in possession  
15 of no evidence to corroborate the suspicions he harbored, he  
16 nonetheless felt that members of the Church of Scientology were  
17 responsible for such actions.

18 10. The judge's "suspicions" had no basis in fact. No  
19 member of any Church of Scientology did anything to harass or  
20 follow Judge Swearinger during the Prior Action, nor did any  
21 member of any Church of Scientology have anything to do with the  
22 death of Judge Swearinger's dog.

23 11. During an interview with the Church's attorneys Eric M.  
24 Lieberman and Jonathan Lubell on March 19, 1992, Horne revealed  
25 Judge Swearinger's statements as set forth in paragraph 9, supra.  
26 For the first time, the Church and its attorneys suspected that  
27 the source of infection of the jury was the judge himself.

28 12. Horne provided further details concerning Judge

1 Swearinger's statements in an interview with the Church's  
2 attorney, Michael L. Hertzberg, in New York City on March 23,  
3 1992. Horne stated that Judge Swearinger related to Horne that  
4 the judge's veterinarian had told the judge that the dog was old  
5 and had died of a heart attack, yet Judge Swearinger still felt  
6 that the dog had fallen or been pushed into the pool. Horne  
7 further stated that the judge had said that he felt the Church  
8 somehow had responsibility for the dog's death.

9 13. Horne also told Hertzberg that Judge Swearinger claimed  
10 he had been followed "a few times" in his car during the trial of  
11 the Prior Action and had assumed that the Church of Scientology  
12 was responsible for these actions.

13 14. In the July/August 1992 issue of American Lawyer,  
14 Horne published an article which quotes Judge Swearinger as  
15 saying:

16 "I was followed [at various times] throughout the trial  
17 . . . and during motions for a new trial . . . . All  
18 kinds of things were done to intimidate me, and there  
19 were a number of unusual occurrences during that trial.  
20 My car tires were slashed. My collie drowned in my  
21 pool. But there was nothing overtly threatening, and I  
22 didn't pay any attention to the funny stuff."

23 15. During the pendency of the Prior Action, Judge  
24 Swearinger never mentioned these incidents to counsel for the  
25 Church nor revealed (to them) his concern or belief that Church  
26 personnel were responsible for acts of harassment against him.  
27 By withholding any mention of his concern, Judge Swearinger  
28 denied the Church the opportunity to remove his concerns or to

1 challenge him for cause.

2 16. The Church is informed, and therefore believes, that  
3 although Judge Swearinger did not divulge his state of mind to  
4 Church counsel, he did describe these incidents to court  
5 personnel during the trial of the Prior Action, and that court  
6 personnel, in turn, revealed them to the jurors, resulting in a  
7 jury as biased as the judge.

8 17. In April, 1992, during a chambers conference in a case  
9 unrelated to the Prior Action and to which neither Wollersheim  
10 nor the Church was a party, Judge Swearinger discussed the trial  
11 of the Prior Action with counsel in that case, one of whom was  
12 counsel for Wollersheim in the most recent Court of Appeal  
13 proceeding in the Prior Action. The Church is informed, and  
14 therefore believes, that Judge Swearinger stated to Wollersheim's  
15 appellate lawyer that he believed the award of damages in the  
16 Prior Action was excessive but that he had deliberately chosen to  
17 allow the excessive verdict to stand because of his displeasure  
18 with the Church and its trial counsel.

19 18. During the chambers conference, Judge Swearinger asked  
20 Wollersheim's appellate counsel to see if he could arrange with  
21 the Church's counsel for a certain official of the Church of  
22 Scientology to call Judge Swearinger. The judge also showed bias  
23 against the Church and its counsel through derogatory references  
24 to the Church's counsel. The judge referred to the Church's  
25 counsel, Earl Cooley, as Earl "Fooley," because Mr. Cooley had  
26 alleged that there had been tampering with the jury.

27 19. Wollersheim's appellate counsel relayed Judge  
28 Swearinger's remarks to one of the Church's counsel who, after

1 client consultation, called Judge Swearinger on behalf of the  
2 Church of Scientology official with whom Judge Swearinger had  
3 asked to speak. In that telephone conversation with Church  
4 counsel, Judge Swearinger repeated the substance of his discourse  
5 with Wollersheim's appellate counsel concerning his state of mind  
6 with respect to the jury verdict in the Prior Action. The judge  
7 stated that at the time of the post-trial motion he probably  
8 would have done what the Court of Appeal eventually did -- i.e.,  
9 reduce the jury's damage award by 27.5 million dollars. He  
10 explained, however, that he did not do so because such an action  
11 would have given credibility to Mr. "Fooley's" charge that the  
12 jury was tainted. Now, five years later, it has finally been  
13 revealed that not only was Mr. Cooley correct about the jury  
14 taint, but that it was Judge Swearinger, himself, who was the  
15 source of the jury's taint and corruption.

16 20. Judge Swearinger's comments, made long after the trial  
17 of the Prior Action, revealed that he possessed, throughout the  
18 Prior Action, unfounded suspicions and unfavorable beliefs  
19 regarding the Church, none of which were disclosed during the  
20 pendency of the Prior Action. Moreover, those comments make  
21 clear that the judge improperly permitted entry of a judgment he  
22 knew to be outrageous, and the result of bias and prejudice, in  
23 order to conceal that he, himself, was the source of the jury's  
24 bias and prejudice.

25 21. Judge Swearinger's concealment, during the Prior  
26 Action, of his suspicions, bias and prejudice denied the Church  
27 any opportunity to address and alleviate Judge Swearinger's  
28 concerns, or to challenge him for cause, thus resulting in an

1 unfair trial and an unjust verdict. Further, Judge Swearinger's  
2 refusal during the post-trial stages of the Prior Action to  
3 permit discovery into the source of the jurors' bias and  
4 prejudice prevented the Church from discovering, other than by  
5 chance, that the judge was also the source of jury bias and  
6 taint.

7 22. The Church was recently apprised of all of the  
8 foregoing information regarding Judge Swearinger's state of mind  
9 during the Prior Action. Prior to this time such information was  
10 not available to the Church despite the Church's diligence. The  
11 Church is free from contributory fault in the entry of the  
12 previous judgment.

13 23. The Church will suffer irreparable harm and irreplace-  
14 able loss if the final judgment entered in the Prior Action is  
15 permitted to stand, and the Church has no adequate remedy at law.

16 WHEREFORE, the Church prays for judgment as follows:

17 1. That the judgment rendered against the Church in the  
18 Prior Action be declared null and void and of no further effect;  
19 and

20 2. For such other and further relief as the Court may deem  
21 just and proper.

22 DATED: February 16, 1993

Respectfully submitted,

23 BOWLES & MOXON

24  
25 By:

  
Kendrick L. Moxon

26 Attorneys for Plaintiff  
27 CHURCH OF SCIENTOLOGY OF  
28 CALIFORNIA

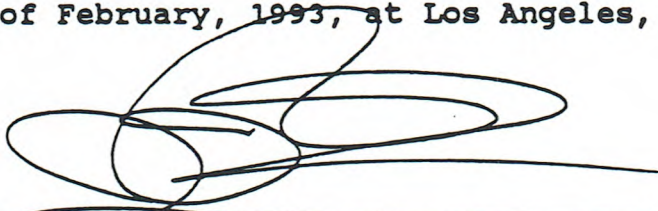
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VERIFICATION

I, James Morrow, am the President of the Church of Scientology California, the plaintiff in this action. I have read the foregoing complaint and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein alleged on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 16th day of February, 1993, at Los Angeles, California.



JAMES MORROW







Issued in red pursuant to the Order of the Honourable Mr. Justice Kennedy dated the 13th day of April 1984



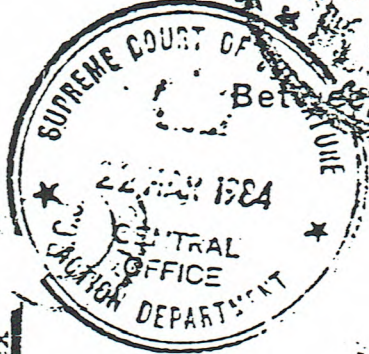
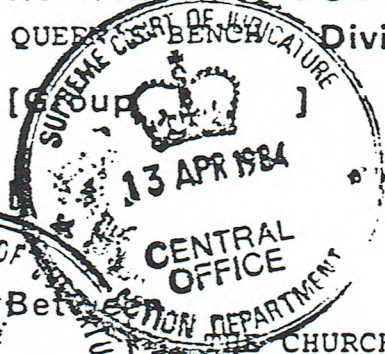
1984 No. 1675

Writ indorsed with Statement of Claim [Unliquidated Demand] (O.6. r. 1)

IN THE HIGH COURT OF JUSTICE Queen's Bench Division

Jurisdiction of the

District Registry



CHURCH OF SCIENTOLOGY ADVANCED ORGANIZATION SAINT HILL EUROPE AND AFRICA (body corporate)

Plaintiffs

- (1) ROBIN SCOTT (2) RON LAWLEY (3) MORAG BELLMAINE (4) STEVEN BISBEY

AND



Defendants

TO THE FOURTH DEFENDANT, STEVEN BISBEY OF 52 WEST HILL, EAST GRINSTEAD, WEST SUSSEX

12

- (1) Insert name. (2) Insert address.

To: the Defendant (1) ROBIN SCOTT of Candacraig House, Strathdon Aberdeenshire AB3 8XT, Scotland (2) Second Defendant, RON LAWLEY of 36 St. James Road, East Grinstead, West Sussex. Third Defendant, MORAG BELLMAINE of 52 West Hill, East Grinstead, West Sussex.

This Writ of Summons has been issued against you by the above-named Plaintiff in respect of the claim set out overleaf.

Within 14 days after the service of the Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office mentioned below the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

- (3) Complete and delete as necessary.

Issued from the (3) [Central Office] of the High Court this 22 day of March 1984.

NOTE:—This Writ may not be served later than 12 calendar months beginning with that date unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

Statement of Claim



The Plaintiff's claim is for

- (1) An injunction to restrain the Defendants and each of them by themselves their respective servants agents or otherwise from doing or authorising the doing of the following acts or any of them that is to say:-
  - (a) dealing in any way with any documents (or copies thereof) obtained from the Plaintiffs by the Defendants or any of them in or about December 1983 and relating to the teaching or principles of Scientology;
  - (b) making any copy or copies of the said documents or any of them;
  - (c) publishing, divulging to any person or making any use whatsoever of any of the said documents, any copy or copies thereof or any of the contents thereof.
- (2) An Order that the Defendants and each of them do forthwith deliver up to the Plaintiffs' Solicitors all or any documents obtained by any of the Defendants from the Plaintiffs in or about December 1983 and relating to the teaching or principles of Scientology and any copy or copies thereof in the possession power or control of the Defendants or any of them.
- (3) Damages for wrongful interference with the Plaintiffs' goods, namely the said documents.
- (4) Damages for misuse of confidential documents and information, alternatively an account of profits.
- (5) Interest pursuant to Section 35(A) of the Supreme Court Act, 1981. to be assessed.



R.M. ENGLEHART

(Signed)

(1) If this Writ was issued out of a District Registry, this indorsement as to place where the cause of action arose should be completed.

(2) Delete as necessary.

(3) Insert name of place.

(4) For phraseology of this indorsement where the Plaintiff sues in person, see

*Supreme Court Practice*, Vol 2, para 3.

(1) [(2) [The cause] [One of the causes] of action in respect of which the Plaintiff claim relief in this action arose wholly or in part at (3) in the district of the District Registry named overleaf.]

(4) This Writ was issued by Malkin Cullis & Sumption of Inigo House, 29 Bedford Street, Covent Garden, London WC2E 9ED

~~XXXXXX~~  
Solicitors for the said Plaintiffs whose address (2) [is] ~~is~~ Jernbanegade 6, 1608 Copenhagen, Denmark. A body incorporated under the laws of Denmark.



[Group ]

Division  
District Registrar

THE CHURCH OF SCIENTOLOGY ADVANCED,  
ORGANIZATION SAINT HILL EUROPE AND  
AFRICA

Plaintiffs

V.

- (1) ROBIN SCOTT
- (2) RON LAWLEY
- (3) MORAG BELLMAINE
- (4) STEVEN BISBEY

Defendants

### Writ of Summons

[Unliquidated Demand]

<i>Date issued</i>	19
<i>Acknowledgment of service lodged</i>	19



Malkin Cullis & Sumption  
 Inigo House  
 29 Bedford Street  
 Covent Garden  
 London WC2E 9ED  
 Tel: 01-379 3385  
 Ref: AT

Solicitors for the Plaintiffs.

Plaintiffs Solicitor

**oyez** The Solicitors' Law Stationery Society, plc. Oyez House,  
237 Long Lane, London SE1 4PU

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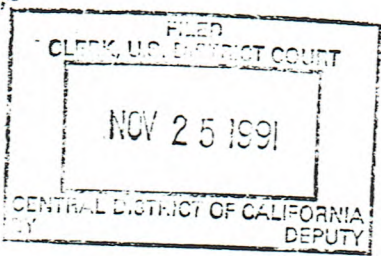
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Laurie J. Bartilson  
BOWLES & MOXON  
6255 Sunset Blvd., Suite 2000  
Hollywood, CA 90028  
(213) 661-4030

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CHURCH OF SCIENTOLOGY INTERNATIONAL )  
a California Non-Profit Religious )  
Organization )  
Plaintiff, )  
v. )  
STEVEN FISHMAN and UWE GEERTZ, )  
Defendants. )

Case No 91 6426 HLH  
(Tx)  
COMPLAINT FOR  
PERSONAL INJURY

COMPLAINT

Plaintiff, Church of Scientology International, a California non-profit religious corporation ("Church"), sues defendants Steven Fishman ("Fishman") and Uwe Geertz ("Geertz") and alleges:

I.

Nature of the Action

1. Through a nationally published magazine, defendants Fishman and Geertz have falsely accused plaintiff of directing Fishman to murder Geertz and then commit suicide. This is an action for damages directly resulting from defendants' malicious publication of such untrue and defamatory statements of and concerning plaintiff.

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II.

Jurisdiction and Venue

2. Plaintiff and defendants are citizens of different states. The Court has diversity jurisdiction of this lawsuit pursuant to 28 U.S.C. § 1332. The matter in controversy exceeds Fifty Thousand Dollars (\$50,000) plus interest and costs.

3. Venue is proper in this Court pursuant to section 1391(a) of Title 28 of the United States Code in that jurisdiction is founded exclusively on diversity of citizenship and the claim arose in this judicial district by virtue of the publication of defendants' false and defamatory remarks of and concerning the Scientology religion in this district, an event which Fishman and Geertz intended when they committed the defamation and which was foreseeable at that time.

III.

Parties

4. Plaintiff Church of Scientology International is a non-profit religious corporation incorporated under the laws of the State of California, having its principal offices in the State of California. Plaintiff Church is the Mother Church of the Scientology Religion. Scientology is an internationally recognized religion, consisting of hundreds of churches and missions engaged solely in religious, charitable, humanitarian and community-oriented endeavors. The religion seeks to enhance its adherents' spiritual knowledge of themselves and their Creator. The Churches and



1           A. An award of compensatory damages in excess of  
2 \$50,000.00 against each defendant;

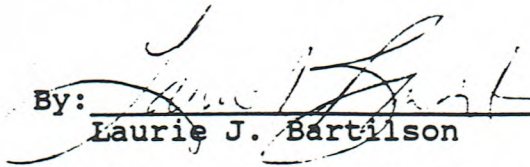
3           B. An award of punitive damages in the amount of no  
4 less than \$1,000,000.00 against each defendant; and

5           C. Such other and further relief as may be just and  
6 equitable.

7 Dated: November 25, 1991

Respectfully submitted,

BOWLES & MOXON

9  
10 By:   
Laurie J. Bartilson

11 Attorneys for Plaintiff  
12 CHURCH OF SCIENTOLOGY  
13 INTERNATIONAL  
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SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.

Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1a

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
 Honorable Ronald M. Sohigian, Judge  
 1b

M. Cervantes, Deputy Clerk  
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1c

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN  
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On February 23, 1995, I served the foregoing document described as REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE TWENTIETH CAUSE OF ACTION OF PLAINTIFF'S COMPLAINT on interested parties in this action,

by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing  the original  true copies thereof in sealed envelopes addressed as follows:

FORD GREENE  
HUB Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

MICHAEL WALTON  
700 Larkspur Landing Circle  
Suite 120  
Larkspur, CA 94939

BY FAX AND MAIL

\*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal

cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on February 23, 1995 at Los Angeles, California.

[ ] **\*\* (BY PERSONAL SERVICE)** I delivered such envelopes by hand to the offices of the addressees.

Executed on \_\_\_\_\_ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Bartilson

Print or Type Name

  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)